

THE WALL STREET JOURNAL.

D DOW JONES | News Corp

THURSDAY, NOVEMBER 21, 2024 ~ VOL. CCLXXXIV NO. 122

WSJ.com

★★★★ \$5.00

DJIA 43408.47 ▲ 139.53 0.32%

NASDAQ 18966.14 ▼ 0.1%

STOXX 600 500.49 ▼ 0.02%

10-YR. TREAS. ▼ 7/32, yield 4.406%

OIL \$68.87 ▼ \$0.52

GOLD \$2,648.20 ▲ \$21.10

EURO \$1.0546

YEN 155.43

What's News

Business & Finance

◆ **The Justice Department** said Google should have to sell off its Chrome browser as part of a court-ordered fix to its monopolization of the online search market. A1

◆ **Nvidia's sales surged** in its latest quarter and profit nearly doubled, a sign of the strength of an artificial-intelligence boom that has made the chip giant the world's most valuable company. A1

◆ **Archegos founder Bill Hwang** was sentenced to 18 years in prison for manipulating stock prices and defrauding banks in the run up to his investment firm's collapse. A1

◆ **Major U.S. stock indexes** ended mixed, with the S&P 500 little changed. The Dow industrials rose 0.3% and the Nasdaq fell 0.1%. B11

◆ **Ford plans to cut** 4,000 jobs in Europe, becoming the latest carmaker to seek deep cost savings as it grapples with tepid demand for electric vehicles and rising competition. B1

◆ **NIO's net loss widened** in the third quarter as revenue fell, dragged by lower selling prices amid an intense price war in China's EV market. B4

◆ **The Justice Department** charged billionaire Gautam Adani with orchestrating a massive bribery scheme to pay off Indian government officials to secure lucrative solar-energy supply contracts. B1

◆ **Pfizer elevated** the executive in charge of its cancer-drugs business to oversee all of the drugmaker's R&D. B1

◆ **Boeing Chief Executive Kelly Orteberg** told employees the company has serious culture problems and can't afford another mistake. B3

World-Wide

◆ **The bipartisan House panel** probing sexual-misconduct allegations against former Rep. Matt Gaetz deadlocked on whether to release its report on Trump's pick for attorney general, prompting Democrats to pursue a vote by the full House on the matter. A4

◆ **The Pentagon said it** was sending antipersonnel mines to Ukraine, underscoring a broader Biden administration push to bolster Kyiv as Russian forces seek to advance on multiple fronts and both sides maneuver for possible negotiations. A5

◆ **A Venezuelan migrant** was convicted of killing a Georgia college student and sentenced to life in prison in a case that became a rallying cry for conservatives pushing for a crackdown on immigration. A3

◆ **The lead U.S. negotiator** on ending the war between Israel and Hezbollah said he made progress during a two-day trip to Beirut, and would travel to Israel to try to secure a cease-fire agreement that has proven elusive. A6

◆ **The U.S. Army bypassed** some of venture capital's best-funded drone makers to buy small surveillance drones from Teal, a little-known manufacturer based in Utah. A3

◆ **New York City Mayor Eric Adams** appointed Jessica Tisch, a veteran of city government and a former NYPD official, as police commissioner. A2

◆ **A major storm swept** across the northwest U.S., battering the region with strong winds and rain, causing widespread power outages and downing trees that killed at least two people. A3

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Beijing, Brasília Deepen Ties to Check Washington



TRUMP CARD: Brazil's Luiz Inácio Lula da Silva welcomes Xi Jinping to Brasília on Wednesday as the Chinese leader cultivates international ties to prepare for an expected thorny trade relationship with U.S. President-elect Donald Trump. A7

U.S. Companies Boost Imports As Trump's China Tariffs Loom

Businesses plan to stockpile, raise prices and change where they manufacture

BY HANNAH MIAO

By 9 p.m. on election night, it had become clear to Jason Junod that Donald Trump was returning to the White House. That night, he contacted his skin-care company's suppliers in China to order a year's worth of inventory for about \$50,000—as much as he could afford to buy and had room to store.

His hope is that the roughly 30,000 body brushes and exfoliating gloves make it to Bare Botanics' facility in Madison, Wis., before Inauguration Day. He thinks Trump is serious about his campaign promise to impose tariffs of 60% on all Chinese goods.

U.S. businesses are dusting off a playbook they used during Trump's first term: stocking up on imported goods before tariffs are enacted. They are also considering how to cope with the levies if and when enacted—whether they will be able to raise prices and whether they will need to find alternatives to their Chinese manufacturers.

"The biggest consideration is, do we stay in China?" Junod said.

When Trump began his trade war against China in 2018, U.S. businesses worked to front-load imports before tariffs were implemented, according to an International Monetary Fund analysis. As a result, the U.S.'s trade deficit with China—how much imports exceed exports—widened in 2018 before narrowing in 2019.

Exports from China surged in October, which some economists think could have been driven at least in part by front-loading amid uncertainty around election results. Out-

bound shipments from China rose nearly 13% in October from a year earlier, well above consensus expectations and up sharply from 2.4% growth in September. Growth in Chinese exports should remain strong through the next few months because of front-loading, Wall Street economists said.

China remains the world's top exporter of goods and the U.S. its top buyer. U.S. companies bought about \$430 billion of Chinese goods last year, with computer and electronic

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◆ **Heard on the Street:** Asia faces more headaches ... B12

DOJ Aims To Force Google To Sell Chrome

Separation would be big blow to search giant following its loss in antitrust trial

BY DAVE MICHAELS AND MILES KRUPPA

The Justice Department on Wednesday said Google should have to sell off its popular Chrome browser as part of a court-ordered fix to its monopolization of the online search market.

The request follows the government's victory this year in an antitrust case against Google and is likely to kick off a heightened legal fight with wide-reaching implications for the tech giant's core business.

Government lawyers said competition can only be restored if Google separates its search engine from products it has built to access the internet, such as Chrome and its Android mobile operating system. Chrome controls about two-thirds of the global browser market, according to the website Statcounter. Searches in the Chrome address bar go through Google unless a user changes the settings.

The Justice Department also requested that Google be prevented from giving preferential access to its search engine on devices that use its Android mobile operating system. If Google violated that rule in the future, it would have to divest itself of Android as well under the government's proposal.

Android runs on billions of smartphones from manufacturers such as Samsung, along with Google's own Pixel devices.

Google would also be forbidden from paying to be the default search engine on any browser, including Chrome under its new owner. Google currently pays Apple tens of millions of dollars a year.

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Share-price and index performance, past three months



Source: FactSet

Target Shares Take Hit

Target reported that profit shrank and sales were flat in the latest quarter, sending its shares down 21%. The retailer also lowered its profit and sales goals for the year. The results stood in contrast to discount chains such as Walmart and Costco, which saw revenue increase. B1

Nvidia's Sales Jump, Lifted by AI Outlook

BY ASA FITCH

Nvidia's sales surged in its latest quarter and profit nearly doubled, a sign of the strength of an artificial-intelligence boom that has made the chip giant the world's most valuable company.

Nvidia projected on Wednesday around \$37.5 billion of revenue for its current quarter, topping forecasts, suggesting its next-generation AI chips, known as Blackwell, are in high demand from customers like Microsoft, Alphabet's Google,

Meta Platforms and Elon Musk's xAI.

The company, whose chips have powered the rise of AI technology, said that it expects its next-generation Blackwell chips to ship in the current quarter and be in short supply into its next fiscal year.

Sales were \$35.1 billion in the fiscal third quarter, the company said, up by 94% from a year earlier and ahead of forecasts in a FactSet survey of analysts.

Profit reached \$19.3 billion, Please turn to page A2

\$6.2 Million for Banana on Wall (Bananas and Tape Not Included)

* * * * Sale fuels debate over what gives art value; piece likened to Andy Warhol's soup cans

BY KELLY CROW

The art market went bananas over a million-dollar banana.

"Comedian," by Italian artist Maurizio Cattelan, sold for \$6.2 million at auction Wednesday night.

The piece consists of an ordinary, yellow banana affixed to a white wall with a diagonal piece of silver duct tape.

Since Cattelan de-

buted the work at Art Basel Miami Beach five years ago,

what's become known as the Banana has turned into a viral sensation. It's attracted crowds, copycats, and even its

own cryptocurrency.

The Banana also is reigniting a long-running debate about the value society is willing to place on an everyday object simply because an artist calls it art.

(Marcel Duchamp famously kick-started the argument in 1913 when he mounted a bicycle wheel to a stool.)

Perrotin Gallery originally sold Cattelan's

duct-taped banana in an edition of three plus two artist's

proofs, or early prototypes—so five bananas in all—for between \$120,000 and \$150,000 apiece in 2019. On

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How Science Lost America's Trust

BY LIZ ESSLEY WHYTE

movement they say threatens longstanding public-health measures.

Lingering resentment over pandemic restrictions helped Kennedy and his "Make America Healthy Again" campaign draw people from the left and the right, voters who worried about the contamination of food, water and medicine.

Many shared their doubts about vaccines and felt their concerns were ignored or regarded as ignorant.

Kennedy merged a crowd of Covid-era skeptics with

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U.S. NEWS

Food Industry Girds for Deportation Push

Labor crunch looms as Trump threatens sweep of migrants; 42% unauthorized

By PATRICK THOMAS

The agriculture industry is working to avert a potential labor crunch following threats from President-elect Donald Trump to launch a mass deportation of migrants after he takes office.

America's food-supply chain relies on a predominantly immigrant workforce for some of its most challenging jobs, such as picking fruit, applying pesticides on crops, operating machinery and slaughtering livestock. About two-thirds of U.S. crop-farm workers are foreign-born, and 42% aren't legally authorized to work in the country, according to a Labor Department report.

Agriculture trade groups are lobbying the incoming administration for the expanded use of temporary work visas. Some farms and meatpackers are forging deeper ties with recruiters who can ensure a steady labor supply.

Unions and worker advocacy groups are trying to educate members about their legal rights and are developing response plans to use if immigration authorities raid workplaces. In addition to the undocumented workers, those with legal status are worried about being forced to leave the U.S.

Operators of meat plants



and dairy farms have long grappled with the government over immigration policy in a bid to keep food supplies humming. They are now warning about changes in the law roiling an already tight labor market. Having a smaller pool of workers would likely prompt companies to raise wages, which could result in higher food prices, executives said.

"Our members need consistent labor," said Julie Anna Potts, president of the Meat Institute, a trade group. Trump has promised to crack down on people residing in the country illegally and tapped immigration hard-liner Tom Homan to oversee policies as his "border czar." He has said his policies will make room for more American jobs and shut down migrant-trafficking networks that might harbor criminals.



Farm workers weeded a bell pepper field in Camarillo, Calif., last summer.

The president-elect and his advisers are also working on plans to restrict forms of legal immigration, affecting the ability of businesses—and farms—to hire foreign workers.

One undocumented farm-worker in Washington state said she spends every day hunched over in the rain or sun while picking cherries, apples, asparagus, pears and other produce in the fields for a job that pays about \$24,000 a year.

The woman, who has been in the U.S. since crossing the Mexican border in 1998, said she has found that most people in the fields aren't legally

authorized to work in the country.

"Without us, the food would rot," said the mother of four children.

Meatpacking plants have long relied on an immigrant workforce. Jobs can require workers to stand for hours a day, often in cold temperatures, moving heavy boxes of frozen meat or slicing livestock carcasses repeatedly on fast-moving processing lines.

During the first Trump administration, the plants were a target for immigration officials, who led raids of pork facilities in Ohio and a Mississippi plant owned by large poultry producer Koch Foods.

In an interview with a New York television station earlier this month, Homan said he expects raids of meatpacking plants and other workplaces to occur again.

Desperate for labor in the Covid-19 pandemic's wake, meat processors hired migrants from Haiti and other countries who could legally work in the U.S. under the Temporary Protected Status program, according to industry officials. Executives worry that, if Trump ends the program, it could jeopardize the legal status of the people working in their plants.

"There's a lot that we don't know at this point," said Ty Wiley, who runs a staffing firm that works with poultry companies, said companies started expressing labor concerns to him about six months ago in anticipation of a Trump victory. Wiley, whose company Waterfield Labor Solutions primarily recruits refugees who have U.S. work authorization, said he is planning to hire more recruiters in anticipation that more companies will need his services.

"Once one of the plants is raided or there's an audit, everybody will start to scramble at that time," Wiley said.

Nvidia's Sales Soar On AI Boom

Continued from Page One
also ahead of analyst forecasts.

Nvidia CEO Jensen Huang said in a call with analysts that demand for its current generation of chips and for Blackwell was "incredible" as leading AI developers scale up computing infrastructure.

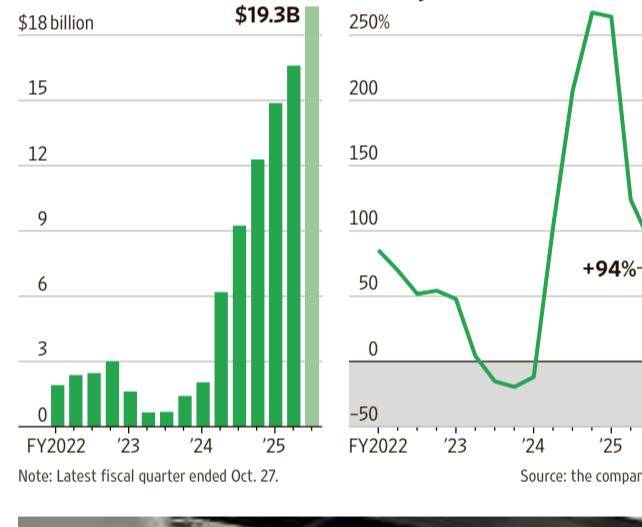
Nvidia's shares fell 2.5% in after-hours trading, however, with the results falling short of some investors' expectations following several quarters of sky-high revenue and profit.

Nvidia's market capitalization has increased by \$2.36 trillion in 2024 through Wednesday's close, greater than the entire current value of Google parent Alphabet.

Led since its founding in 1993 by Huang, Nvidia has engineered a stunning rise to the top of the semiconductor world over the past two years. Nvidia's chips—initially developed to improve computer graphics—were well-suited to AI tasks and big technology companies began investing tens of billions of dollars to build advanced AI tools.

So hot was the demand that Nvidia couldn't keep up with it and its chips became the most coveted products in the tech industry.

Huang's tech celebrity rose into a stratosphere occupied by visionaries like the late Apple co-founder Steve Jobs. Revenue and profit rose to unprece-



Analysts had been expecting a strong quarter for Nvidia.

dented levels, and the stock surged, roughly tripling this year alone.

Nvidia hit a \$2 trillion valuation in February, crossed the \$3 trillion mark in June, and reclaimed the title of world's most valuable company earlier this month.

Analysts had been expecting a strong quarter for Nvidia following earnings reports from big tech companies that outlined rising capital spending. With the AI boom, much of the tech giants' spending goes toward Nvidia's chips.

The company's rise has

come with complications. In its previous earnings report in August, Nvidia blamed engineering issues with Blackwell chips for narrower profit margins and a \$908 million provision. Despite the hiccup, the company was on track to exceed a previous forecast of several billion dollars of revenue in the current quarter, Chief Financial Officer Colette Kress said during the call with analysts Wednesday.

Kress also said in prepared remarks on Wednesday that the company had completed tweaks in Blackwell's design that improved their manufacturing yields. She said production shipments were expected in the current quarter and that demand was expected to exceed supply for several quarters in its next fiscal year.

Nvidia's increased size over the past two years means it is getting harder for the company to sustain its revenue growth rates. Revenue more than tripled in its quarter ended in April but has lost pace in the two quarters since.

Nvidia is also being challenged by competitors including Advanced Micro Devices, which expects to sell \$5 billion of AI chips this year, and by a crop of AI chip startups offering new-fangled approaches to the computations that underlie the most advanced AI models. Some of Nvidia's biggest customers, including Amazon.com, also have been working to develop their own AI chips and reduce dependence on Nvidia.

Antitrust regulators in Europe and the U.S. are looking at Nvidia's business given its dominance. Analysts estimate it has more than an 80% share in the AI-chip market.

Rate Rise Doesn't Slow Mortgage Applications

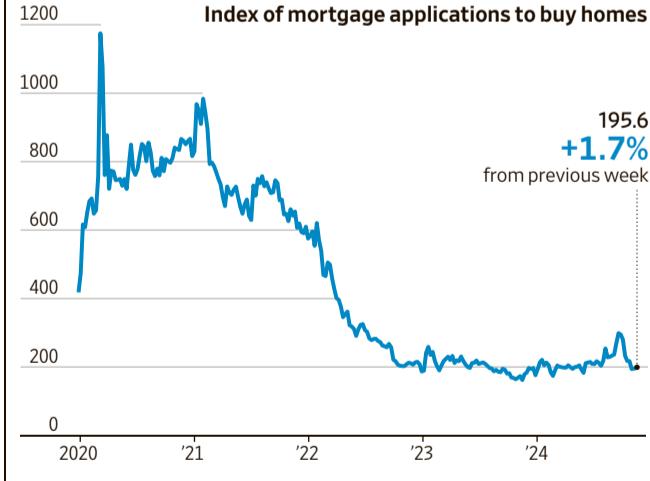
By CHRIS WACK

An index of new mortgage loan applications, the U.S. MBA purchase index, rose 2% in the latest week, as higher mortgage rates aren't slowing down buyers.

Even as mortgage rates climbed back above 7%, refinancing for the week ended Nov. 15 rose 1.8%, the Mortgage Bankers Association said.

The MBA's market composite index, which measures overall mortgage-application volume, rose 1.7% over the previous week, showing that buyers aren't shying away from the market. The index stood at 195.6 for the week ended Nov. 15, up from 192.4 the previous week. A year ago, the index stood at 175.6.

"The pickup in purchase applications was driven by conventional and FHA loans, with FHA purchase applications seeing a 7% increase,"



New York City Mayor Names Tisch Police Commissioner

Moving to stabilize an administration roiled by investigations, resignations and his own indictment, New York City Mayor Eric Adams on Wednesday appointed sanitation chief Jessica Tisch as police commissioner.

Tisch, a city government stalwart and ex-NYPD official, will be just the second woman in the post. The 43-year-old Harvard-educated scion of a wealthy New York family has worked for the city for 16 years, holding leadership roles in several agencies.

"I need someone that's going to take the police department into the next century," Adams said, praising Tisch as a "visionary" and lauding her track record of improving city operations.

—Associated Press

Ohio Democrat Kaptur Wins House Race

Democratic U.S. Rep. Marcy Kaptur won another term Wednesday, after defeating a Republican state lawmaker endorsed by President-elect Donald Trump.

Her victory in northwest Ohio over state Rep. Derek Merrin allows Kaptur, 78, to continue her streak as the longest-serving woman in House history.

The outcome emerged from final results certified by the Lucas County Board of Elections in Toledo.

The Associated Press had previously said the race was too early to call, despite Kaptur declaring victory just before 2 a.m. the morning after Election Day. AP called the race for Kaptur on Wednesday.

—Associated Press

National Security Suspect Accused Of NYSE Bomb Plot

A Florida man was arrested Wednesday and charged with a plot to "reboot" the U.S. government by planting a bomb at the New York Stock Exchange this week and detonating it with a remote-controlled device, according to the FBI.

Harun Abdul-Malik Yener, 30, of Coral Springs, had been under investigation by the Federal Bureau of Investigation beginning in February based on a tip that he was storing "bombmaking schematics" in a storage unit. The FBI said it found bombmaking sketches and electronics that could be used for building explosive devices.

Yener later told undercover agents he wanted to bomb the stock exchange, the FBI said.

—Associated Press

South Carolina Mother Who Killed Sons Denied Parole

A parole board decided unanimously Wednesday that Susan Smith should remain in prison for the killing of her two young sons 30 years ago by rolling her car into a South Carolina lake while they were strapped in their car seats.

It was the first parole hearing for Smith, 53, who is serving a life sentence after a jury convicted her of murder but decided to spare her the death penalty.

Smith made international headlines in 1994 when she insisted for nine days that a carjacker drove away with her sons, 3-year-old Michael and 14-month-old Alex.

She is eligible for a parole hearing every two years now that she has spent 30 years behind bars.

—Associated Press

Corrections & Amplifications

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THE WALL STREET JOURNAL

(USPS 664-880) (Eastern Edition ISSN 0099-9660)

(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays.

Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicope, MA 01020.

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U.S. NEWS

'Bomb Cyclone' Batters the Northwest, Killing Two and Knocking Out Power

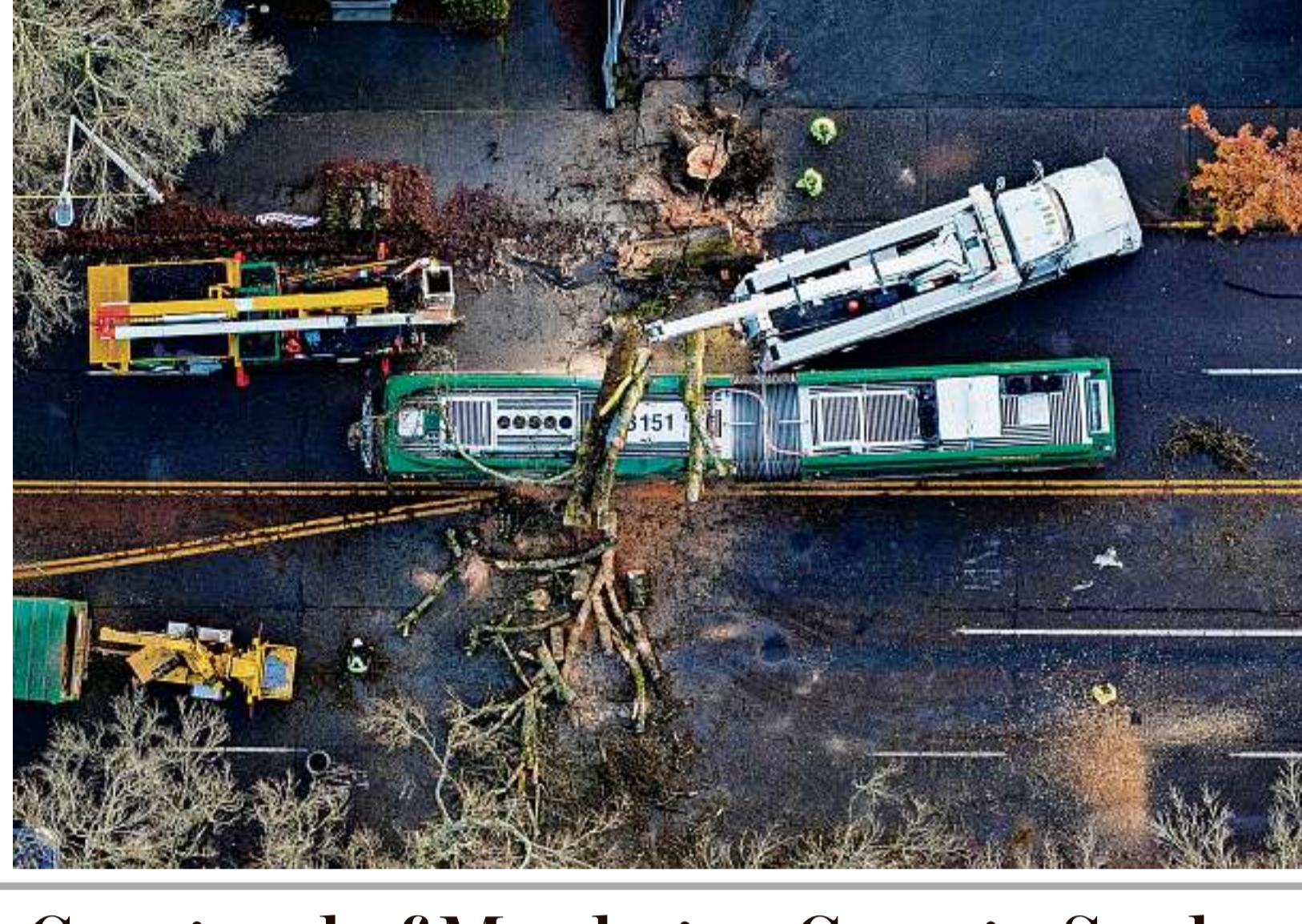
ISSAQAH, Wash.—A major storm swept across the northwest U.S., pounding the region with strong winds and rain, causing widespread power outages, closing schools and downing trees that killed at least two people.

The Weather Prediction Center issued excessive rainfall risks through Friday and hurricane-force wind warnings were in effect as a strong atmospheric river—a large plume of moisture—overwhelmed California and the Pacific Northwest. The storm system that hit starting Tuesday is considered a “bomb cyclone,” which occurs when a cyclone intensifies rapidly.

In California, the weather service extended a flood watch into Saturday north of San Francisco. Up to 16 inches of rain was forecast in southwestern Oregon through Friday. Flash flooding, rock slides and debris flows were possible, officials warned.

Falling trees struck homes and littered roads across northwest Washington. In Lynnwood, Wash., a woman died when a tree fell on a homeless encampment, South County Fire said. In Bellevue, east of Seattle, a tree fell onto a home, killing a woman. Road travel, including on one street in Seattle, pictured, was disrupted.

—Associated Press



DAVID RYDER/REUTERS

Migrant Convicted of Murdering Georgia Student

By ALYSSA LUKPAT

A Venezuelan migrant was convicted of killing a Georgia college student and sentenced to life in prison in a case that became a rallying cry for conservatives pushing for a crackdown on immigration.

Jose Antonio Ibarra was found guilty of murder, kidnapping and other charges for the February killing of Laken Riley, a 22-year-old nursing student in Athens, Ga. He was sentenced without the possibility of parole and was set to serve additional shorter sentences consecutively.

Riley had gone for a run and was later found dead in a forested area behind a lake, according to the University of Georgia Police Department. Immigration officials said Ibarra, who was 26 at the time of the killing, had entered the U.S. illegally.

Georgia Superior Court Judge H. Patrick Haggard convicted Ibarra in a bench trial, meaning there was no jury.

Haggard addressed Riley's family, saying, "As many times as you reflect on the loss, at some point you start smiling about the memories and I'm hopeful that at some point that takes over."

Republicans have used Riley's death to push for stronger immigration laws as an influx of migrants have entered the country. The House of Representatives earlier this



Laken Riley's family and friends reacted as the judge announced the guilty verdict against Jose Antonio Ibarra.

Ibarra sat expressionless for much of the trial, which started last week in Athens-Clarke County Superior Court. An interpreter translated the proceedings to him into Spanish.

Police said in an affidavit for Ibarra's arrest that he used an unspecified object as a weapon and disfigured Riley's skull. He asphyxiated her and intended to rape her, prosecutors said in his indictment. He was arrested a day after the killing.

In addition to murder and kidnapping, he was found guilty of aggravated assault, evidence tampering, obstructing a 911 call and peeping-tom charges.

Deborah Gonzalez, the district attorney for Georgia's western circuit, said, "No sentence can undo the harm caused by Jose Ibarra's actions, but we hope it brings justice to Laken's family and the community."

A lawyer for Ibarra didn't return a request for comment.

Prosecutors and Riley's family and friends asked the judge ahead of the sentencing to give Ibarra life in prison with no chance of parole.

"Jose Ibarra took no pity on my scared, panicked and struggling child," Allyson Phillips, Riley's mother, said. "He took my best friend. He ripped away every beautiful memory we will ever be able to make with her again."

Army to Buy Backpack-Size Drones For Surveillance From Small Maker

By HEATHER SOMERVILLE AND BRETT FORREST

The U.S. Army is bypassing some of venture capital's best-funded drone makers to buy technology from a little-known Utah manufacturer.

Salt Lake City-based **Teal Drones** has been selected as the winner of a military program to provide thousands of small surveillance drones, according to a regulatory filing and an Army document viewed by The Wall Street Journal.

The program will arm U.S. soldiers with backpack-size drones similar to what the Ukrainians have deployed in vast numbers in the war with Russia. The Army has said it needs around 11,700 drones for its Short Range Reconnaissance program, its largest effort yet to acquire small surveillance aircraft. That size of purchase could give Teal roughly \$260 million in revenue in the coming years.

In a Tuesday filing with the Securities and Exchange Commission, Teal said its portable drones would be provided to Army infantry platoons to ex-

pand their reconnaissance abilities.

It is a victory for an underdog in the crowded U.S. small-drone market, which comprises billion-dollar California enterprises, low-profile founder-funded operations and penny-stock companies.

Teal, which was founded a decade ago by a teenage drone racer, didn't have the venture-capital clout and slick marketing of some of its bigger peers, and has almost no record as a defense supplier.

It is owned by a Puerto Rico-based publicly traded holding company whose shares were trading below \$1 this spring.

Now, it is poised to become the recipient of potentially the largest-ever U.S. military contract for small uncrewed aircraft.

The company's 3-pound, folding, backpack-size drone can fly autonomously and is equipped with antijamming technology developed after test-

ing drones in Ukraine, said Teal executives. The Army declined to comment.

The Defense Department says it wants to ramp up the use of drones, but hasn't bought many of them, making Teal's deal with the Army an exception.

The Pentagon accounts for less than 2% of all the commercial and government drone system sales each year in the U.S.,

according to the Defense Innovation Unit, a branch of the Defense Department that works with startups trying to sell to the Pentagon.

“The Department of Defense does not have a holistic strategy

for small drone systems,” said David Michelson, autonomy portfolio director at the Defense Innovation Unit.

It has taken 15 years for the Army to finalize the program.

American companies have also struggled to gain inroads selling to consumers and public safety groups as their drones are much more expensive and often technically inferior compared with Chinese-made competitors.

This hasn't deterred venture capitalists, who have poured billions of dollars into startups building drones they hope the Pentagon will buy. Silicon Valley's **Skydio**, which lost out to Teal on the Army program, has raised more than \$700 million in venture capital.

Teal belongs to **Red Cat Holdings**, a holding corporation for a collection of drone manufacturers. It bought Teal in 2021 in a \$14 million stock deal.

Teal's drone, called the Black Widow, can fly autonomously without GPS, using an internal map to navigate where it is going and locate its target, said Teal founder George Matus. It can fly about 40 minutes at a stretch without emitting a radio frequency, making it harder for an enemy to detect and jam, Matus said.



HEATHER SOMERVILLE/WSJ

Teal Drones said its small drones would be provided to Army infantry platoons to expand their reconnaissance abilities.

Teal's drone, called the Black Widow, can fly autonomously without GPS.

Underdog Outmaneuvers Rivals

It is a remarkable evolution for Teal Drones, a hobbyist and drone-racing startup that founder George Matus began as a high-school sophomore.

The company was seeded with a couple hundred thousand dollars from a former San Francisco 49ers football player and a Peter Thiel-backed fellowship.

Like most American drone startups, Teal suffered as China's SZ DJI Technology devoured market share, making the business of selling drones to

hobbyists and racers unsustainable. Matus winnowed his staff down to about 10 people and pivoted to defense.

In 2021, the Army passed over Teal in its first round of drone testing, eventually choosing Skydio, awarding it an order of around \$29 million.

After soldiers ran into technical challenges with Skydio's drones, Teal re-emerged as a contender for the Army's program in 2022, ultimately beating out Skydio.

U.S. NEWS

Ethics Panel Deadlocks on Gaetz Report

Democrats to still pursue release as records show cabinet pick paid women

WASHINGTON—The bipartisan House panel probing sexual-misconduct allegations against former Rep. Matt Gaetz deadlocked Wednesday on whether to release its re-

By Katy Stech Ferek,
Lindsay Wise
and Khadeeja Safdar

port on President-elect Donald Trump's pick for attorney general, prompting Democrats to pursue a vote by the full House on the matter.

"There was no agreement by the committee to release the report," said Rep. Michael Guest (R., Miss.), the chairman of the secretive panel, after a two-hour meeting. Rep. Susan Wild of Pennsylvania, the top Democrat on the committee, told reporters that "there was no consensus on this issue" and suggested that the vote fell along party lines. Wild, who favors releasing the report, said the panel would reconvene Dec. 5 to further consider the matter.

The committee has five Republicans and five Democrats, and deciding to release the report would take a simple majority. Ahead of Wednesday's meeting, Guest indicated to CNN that the report wasn't completed and said he had "some reservations about re-

leasing any unfinished work product."

Rep. Glenn Ivey (D., Md.), a member of the committee, said Wednesday's actions shouldn't signal that the case is closed.

The panel's deliberations were taking place as Gaetz, who has denied the allegations of misconduct, was on Capitol Hill meeting one-on-one with senators in a bid to salvage his nomination. Some GOP senators have expressed concerns about the pick publicly and privately, leaving him likely short of the votes he needs to be confirmed next year unless he can win them over. Democrats are expected to oppose the nomination.

The report was expected to be damaging to the 42-year-old Gaetz. One of the witnesses told the panel she saw Gaetz having sex with a 17-year-old girl at a party in 2017, and both she and another woman said Gaetz paid them for sex, their lawyer said Monday.

A list of Venmo and PayPal transactions displayed during the witnesses' testimony to the House panel show that between July 2017 and January 2019, Gaetz made payments of more than \$10,000 to two women who testified before the committee. The records were earlier reported by ABC News.

A Trump transition team spokeswoman didn't respond to a request for comment.

The ethics committee had been set to consider releasing the report on the allegations last week, but that was



President-elect Trump's attorney general pick Matt Gaetz closed a door to a meeting with JD Vance and GOP senators Wednesday.

scratched after Gaetz was chosen for attorney general and resigned from his seat representing the Florida Panhandle. Typically, the committee doesn't release a report if a member leaves office, but both Democrats and some Republicans have said they want to see the results of the investigation.

Rep. Steve Cohen (D., Tenn.) on Wednesday introduced a privileged resolution for a vote on releasing

the report. That resolution forces House Speaker Mike Johnson (R., La.) to schedule a vote by the full House within two legislative days, which could push it past Thanksgiving break into December. "I

think that it's necessary to bring as much attention as possible to the situation and to what is at risk, and what's at risk is us giving up our independent judgment to the president-elect," Cohen said.

Johnson opposes releasing

the report, and the GOP-led House could move to table, or kill, the Democrats' effort by simple majority. The narrow Republican margin in the chamber along with Gaetz's rocky relationship

with some former colleagues

would make the outcome of any vote unpredictable.

The Justice Department also investigated whether Gaetz engaged in sex trafficking

a minor, a probe that be-

gan during Trump's first term and ended last year without criminal charges. On Wednesday, Senate Judiciary Committee Chairman Dick Durbin (D., Ill.) and other committee

Democrats wrote to Federal Bureau of Investigation Director Christopher Wray, asking him for the complete evidentiary file in the probe.

It is against FBI practice to provide investigative files to Congress, in part because it is generally illegal to share grand-jury material, and officials often have other concerns about identifying witnesses and exposing law-enforcement tactics. The FBI said it received the letter and declined to comment further.

Senators who met Wednesday with Gaetz, escorted by Vice President-elect JD Vance, said they wanted the prospective nominee to get a full and fair hearing and were keeping

an open mind about their vote. "Here's what I told him: No rubber stamps and no lynch mobs," said Sen. Lindsey Graham (R., S.C.).

Sen. Josh Hawley (R., Mo.) said he urged Gaetz to "stay the course." He said Gaetz talked about his desire to have a confirmation hearing. "I hope that my colleagues who are concerned or say that they're going to vote 'no' will at least wait until the hearing and hear him out," Hawley said.

Gaetz said senators have "been giving me a lot of good advice" and he was looking forward to a hearing. "They've been saying we're going to get a fair process," he said.

Trump said Tuesday he had no plans to pull the Gaetz pick.

—Xavier Martinez, Siobhan Hughes and Sadie Gurman contributed to this article.

Some GOP senators have expressed concerns about the choice.

Archegos Founder Sentenced

Continued from Page One

the banks that held the investments for the firm, including Morgan Stanley, UBS, Credit Suisse and Nomura. The firm's collapse wiped \$100 billion in market value, according to prosecutors. Credit Suisse's \$5 billion hit, alongside several other financial scandals, contributed to the bank's eventual forced sale to rival UBS in 2023.

The lenders said they were unaware of the trades Archegos was making at other banks.

Prosecutors wrote in a sentencing filing that Hwang de-

ceived the banks to receive favorable financing and "used lies and manipulative trading strategies to rig the stock market in his favor." The investments initially grew his wealth from \$2 billion to \$30 billion before Archegos's collapse, they said.

"The scheme so distorted market prices for a handful of securities, however, that its predictable collapse led to economic calamity," prosecutors said.

Hwang's lawyers argued that he was truthful in his dealings with the banks and that his trading instructions were legal.

Archegos's demise sparked calls for more oversight over private offices that manage private fortunes. Regulators beefed up supervision over bank dealings with fund clients, and the Securities and Exchange Commission called for more disclosure.

Hwang personally lost \$8 billion in 10 days, according to The Wall Street Journal's reporting at the time.

Prosecutors had recommended Hwang, who is 60 years old, serve 21 years in prison due to the severity of the crimes and the size of the losses.

Assistant U.S. Attorney Andrew Thomas called Hwang a recidivist, pointing to a 2012 settlement between the SEC and Tiger Asia Management, Hwang's previous hedge fund. The agreement, which resolved insider-trading allegations, barred Hwang from managing client money in the U.S.

Arches was a family office that managed Hwang's personal wealth.

Hwang's attorney, Dani James, said there was no likelihood Hwang would commit another crime and no need to protect the public.

"This was his money. This was his fund," she said. "Bill's money is gone. He lost it all."

In a sentencing memo to Hellerstein, Hwang's lawyers initially asked for no prison time.

The judge panned that request in court, saying, "To ask for a zero sentence is ridiculous."

After the judge overruled some of James's objections to the government's position, the defense lawyer argued that a prison sentence of around three to six years would be appropriate.

James asked the judge to take Hwang's charitable work and difficult upbringing into



consideration.

Hwang, she said, immigrated to the U.S. from South Korea when he was 19 years old and didn't speak the language. His father, a pastor, died within a couple months of the move, leaving Hwang to try to support the family while working as a line cook.

The judge acknowledged Hwang's public-service work, but said that he also committed a "dreadful crime."

Hellerstein planned to continue the sentencing hearing on Thursday morning to determine any restitution Hwang owes to victims.

Patrick Halligan, Archegos's chief financial officer, was convicted during the same trial of three criminal counts. He is scheduled to be sentenced next week.

—Corinne Ramey contributed to this article.

Federal Employees Face Fight Over Remote Work

BY JOHN MCCORMICK AND TE-PING CHEN

The nation's largest workforce could soon be ordered back to the office full-time.

President-elect Donald Trump has vowed to slash government bureaucracy and appointed uber-wealthy entrepreneurs Elon Musk and Vivek Ramaswamy to lead the efficiency effort. The two men have already targeted remote workers, saying that requiring federal employees back to the office five days a week would result in a welcome wave of voluntary terminations.

If federal employees don't want to show up, American taxpayers shouldn't pay them for the Covid-era privilege of staying home," Musk and Ramaswamy wrote in a Wall Street Journal opinion piece published Wednesday.

Ending remote work is being considered a potential early action item for the new administration shortly after the Jan. 20 inauguration, said a person working closely with the effort.

Still, that outcome is far from certain.

Of the 2.3 million civilian federal workers—nearly 30% of whom are veterans—more than half already work in-person because of the nature of their jobs, such as food-safety inspectors and healthcare workers, according to a 2024 Office of Management and Budget report.

The rest, who are eligible to work remotely some of the time, perform an average of 61% of their hours in the workplace. In U.S. Census Bureau surveys, federal and private-sector employees work roughly the same amount of time in person vs. remotely.

The newly proposed Department of Government Efficiency, the advisory group Musk and Ramaswamy have been appointed to lead, doesn't necessarily have direct power to issue such a mandate. Federal worker union leaders said changes to working conditions should be negotiated in collective bargaining.

Unions are gearing up to counter such efforts. The National Federation of Federal Employees, which represents 110,000 federal workers, has been consulting with its legal team, said the union's national president, Randy Erwin. It also

plans to lobby members of Congress and is holding town halls with members concerned about full-time office mandates and job cuts.

"We're rallying them and getting prepared for a really, really big fight," he said.

Ramaswamy, a biotech company founder, and Musk, who spent more than \$100 million to help send Trump back to the White House, are both close to the president-elect. Their words would carry weight with cabinet picks.

Trump's transition team didn't respond to an email seeking comment. In an interview with the Journal last week, Ramaswamy suggested federal workers should be worried about their jobs. "We'll want to be reasonable, as compassionate as we can, at the level of individuals," he said.

"But at the level of permanently downsizing the scope of the bureaucracy, that is obviously going to have some consequences."

Ramaswamy predicted in a post on X that up to 25% of civil servants would leave in the event of a full-time office mandate.

Though some companies have recently ordered staff back to offices full time, most U.S. companies offer some flexibility on where employees work, according to data from Flex Index, which tracks the policies of more than 6,300 companies.

One exception is Musk's business empire. He scrapped remote work at Tesla, SpaceX and X postpandemic, calling it "morally wrong."

Roviant Sciences, the biotech firm Ramaswamy founded, mostly has in-person or hybrid workers. Ramaswamy hasn't been involved with the company since he left its board in early 2023, though he remains a shareholder.

A five-day office mandate would roil some federal departments more than others.

At the State Department, staffers eligible to work remotely already spend about 80% of their working hours on-site, according to the OMB report.

At the Defense Department, the average is 64%. Workers at the Departments of Education, Treasury, and Housing and Urban Development perform between 36% and 39% of their hours at a work site.



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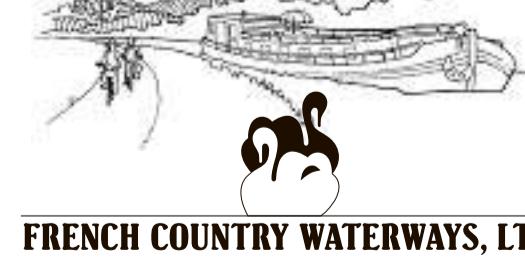


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WORLD NEWS

U.S. Approves Antipersonnel Mines

Move aims to help Kyiv counter Russia, provide leverage in possible negotiations

The Pentagon said it is sending antipersonnel mines to Ukraine, underscoring a wider Biden administration push to bolster Kyiv as Russia seeks to advance on several fronts and both sides maneuver for possible negotiations.

By Michael R. Gordon,
Gordon Lubold
and Max Colchester

The moves to ease restrictions on weapons sent to Ukraine comes in the waning months of the Biden administration, which is trying to help the Ukrainians shore up defenses and preserve some leverage in the talks President-elect Donald Trump has vowed to pursue.

Since Trump's election, the Biden administration has authorized the use of ATACMS surface-to-surface missiles against targets inside Russia. It also approved the use of U.S. contractors on Ukrainian territory to help the country maintain its F-16 aircraft, Patriot antimissile systems and other weaponry.

The Biden administration also is working to get more than \$7 billion of weaponry and munitions to Ukraine before the end of its administration Jan. 20. Trump hasn't commented on those steps or detailed his own negotiating strategy to end the conflict.

Rep. Mike Waltz, the Republican congressman tapped to serve as Trump's national-security adviser, has criticized Biden's decision to let Ukraine fire ATACMS missiles into Russia. But some military experts say the additional support to Ukraine could strengthen its hand as Kyiv and Moscow maneuver to shape the battlefield in anticipation of potential talks next year.

"It will be helpful, but certainly not determinative, in



Ukrainian soldiers prepared on Wednesday for a Russian attack near the front line in Zaporizhzhia in southeast Ukraine.

terms of the overall outcome of a discussion of ending the hostilities," said James Stavridis, the former NATO commander and a retired admiral.

Biden administration officials have said the ATACMS decision was a response to Russia enlisting some 10,000 North Korean troops as Moscow seeks to evict Ukrainian forces from Russia's Kursk region.

Ukraine's use of the ATACMS on Tuesday against an ammunition depot in Russia's Bryansk region was followed the next day by Ukraine's deployment of British-supplied Storm Shadow cruise missiles. Kyiv launched at least 10 Storm Shadow missiles at the Kursk region, Ukrainian and Western officials said.

Ukraine has controlled more than 100 square miles of territory in the region since a surprise invasion in August, but in recent weeks, Moscow

has launched a major offensive and has been clawing back some of that land.

As with the ATACMS move, discussions about sending antipersonnel land mines to Ukraine began before the election, a senior administration official said. Defense Secretary Lloyd Austin and Gen. CQ Brown, the chairman of the Joint Chiefs of Staff, made the case in high-level meetings that sending those weapons was the best way of helping Ukraine stabilize the front lines, where Russia has started to make rapid advances.

The U.S. is sending M74 antipersonnel mines that can be delivered by artillery and are only to be used in Ukraine. They contain several features to limit the longer-term risk to civilians, a U.S. official said, including technology that prevents them from exploding af-

ter a preset period. The period in which they are deadly can range from four hours to two weeks, the official said.

The U.S. estimates that Moscow has deployed about two million land mines around Ukraine, mostly in eastern provinces in the first year of the war when Russian troops were struggling to stop a Ukrainian counteroffensive. The Russian mines are comparatively primitive, U.S. officials say, and will remain a threat to soldiers and civilians for decades.

More than 160 countries have signed a treaty banning the use and production of land mines, but Russia and the U.S. aren't among the signatories.

The Biden administration still has \$7 billion of funding it can use to send equipment to Ukraine. That funding reimburses the Pentagon for munitions and equipment drawn

from its own stocks, as the Defense Department has done since Russia's 2022 invasion.

On Wednesday, the Pentagon announced a new, \$275 million tranche of security assistance that includes more ammunition, drones, missiles, armor systems and spare parts. The antipersonnel mines weren't included in that amount.

Since September, British officials had pushed Washington to allow Ukraine to use the Storm Shadows against targets on Russian soil, officials say. The U.K. needed U.S. sign-off because Storm Shadows rely on guidance systems supported by U.S. companies to fly low to the ground.

Military and other officials expressed doubt that it would be possible for the Biden administration to deliver all the equipment it is authorized to send to Ukraine by Jan. 20.

Eurozone Sees Wages Climb at Faster Pace

By PAUL HANNON

Wages in the eurozone rose at a much faster pace during the three months through September, although signs of a slowdown next year likely will ease concerns at the European Central Bank.

The ECB on Wednesday said wages set through negotiations between employers and labor unions or similar bodies were 5.42% higher than a year earlier, a pickup from the 3.54% increase recorded in the three months through June. It was the fastest rise in wages since early 1993.

The central bank lowered its key interest rate for a third time this year in October as inflation cooled, but policymakers said the timing of further cuts would depend partly on evidence that wages are slowing.

While prices of energy, food and manufactured goods have cooled since inflation peaked in late 2022, prices of labor-intensive services have continued to rise rapidly.

The rebound in wage growth could spark fresh worries about services prices, and make policymakers reluctant to lower borrowing costs.

But that is unlikely, because the pickup mostly was driven by Germany and there have been recent indications that wage growth in the eurozone's largest member is set to slow sharply next year in response to economic weakness.

The eurozone's job market has remained tight despite higher borrowing costs and modest economic growth. However, there are signs it is loosening, with a survey of purchasing managers indicating that payrolls were cut in October at the fastest pace since the end of 2020.

WORLD WATCH



HATS OFF TO HISTORY: Participants in period garb rode horses at a parade marking the 114th anniversary of the Mexican Revolution at Mexico City's main square on Wednesday.

GREECE Thousands March In General Strike

Thousands of Greek workers marched through the capital of Athens on Wednesday as part of a 24-hour general strike called by labor unions to protest the rising cost of living, and timed to coincide with the government submitting its budget to Parliament.

Public- and private-sector workers walked off the job as part of the labor action that disrupted public transport and left ferries connecting islands with the mainland in port.

Medical staff at state-run hospitals and teachers were among those who joined the strike, which labor unions called to demand collective wage agreements that were scaled back during a financial crisis that began in 2010.

Greece has since returned to healthy growth and recently achieved investment-grade status again, but it still retains the highest ratio of debt to gross domestic product in the European Union.

Around 12,000 protesters marched through central Athens, while 5,000 more demonstrated in Thessaloniki, Greece's second-largest city.

—Associated Press

RUSSIA Bill Would Tighten Adoption Policies

The upper house of parliament on Wednesday endorsed a bill banning adoption of Russian children by citizens of countries where gender transitioning is legal.

The Federation Council also approved measures that outlaw the spread of material that encourages people not to have children.

The bills will now go to President Vladimir Putin for signing into law. They follow a series of laws that have suppressed sexual minorities and bolstered longstanding conventional values.

The adoption ban would apply to at least 15 countries, most of them in Europe, as well as in Australia, Argentina and Canada. Adoption of Russian children by U.S. citizens was banned in 2012.

Other measures lawmakers approved Wednesday outlaw what is described as propaganda for remaining child-free, and impose fines of up to five million rubles, about \$50,000.

Its proponents say public arguments against having children are part of Western efforts to weaken Russia by encouraging population decline.

—Associated Press

NIGERIA Militants Ambush Security Convoy

At least seven members of a government-protection agency are missing after Boko Haram insurgents attacked their convoy in north-central Nigeria, authorities said.

A team of 80 security operatives tasked with protecting the power network were ambushed on Monday in Shiroro, Niger state, by about 200 Boko Haram fighters during a patrol mission, said Babawale Afolabi, a representative for the Nigeria Security and Civil Defence Corps. At least 50 insurgents were killed, Afolabi added.

Boko Haram is among armed groups known to sabotage power supplies in Nigeria. In October, the northern part of the country was without power for more than seven days after insurgents damaged equipment, said the state-owned Transmission Co. of Nigeria.

Boko Haram took up arms in 2009 to fight against Western education and impose its radical version of Islamic law, or Shariah. Its kidnapping in 2014 of 276 schoolgirls from the village of Chibok in Borno state shocked the world.

—Associated Press



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WORLD NEWS



MANU BRAVO FOR WSJ

Beirut-Rafic Hariri Airport has avoided direct hits from Israeli airstrikes, but is operating under hair-raising conditions.

Fear of Flying at Beirut's Airport

BY STEPHEN KALIN
AND ADAM CHAMSEDDIN

BEIRUT—The pilots who fly to and from Beirut-Rafic Hariri Airport prefer to use the westernmost of its three runways, the one that hugs the Mediterranean Sea.

It is the farthest from Beirut's southern suburbs, a sprawling residential area surrounding the airport to the north and east that is dominated by Hezbollah. These neighborhoods have been targeted by Israeli strikes dozens of times in recent months, often within a mile of planes that are taking off or landing.

"When I land, I should be focusing on the runway," said a veteran pilot with Middle East Airlines, Lebanon's flagship carrier and the only one that still flies to the airport. "But the strikes happening around you during landing make you look."

Last week, a plane carrying foreign humanitarian aid was taxiing down the tarmac when an Israeli airstrike hit nearby. Video that circulated on social

media showed the blast sending smoke and debris hurtling toward the sky and across adjacent neighborhoods as the plane rolled steadily along in the background. The video was verified by Storyful, which is owned by News Corp, the parent company of The Wall Street Journal.

The attack came after Israel warned it was about to target a building less than three-quarters of a mile from the eastern perimeter of the airport, which has operated almost without interruption since Israel began regularly bombing south of Beirut in September.

Despite the airstrikes—which Israel says are targeting Hezbollah personnel and weapons—Lebanon's only international airport has avoided direct hits, but is operating under hair-raising conditions.

The airport isn't just important for civilian travel. In wartime, it allows for the flow of aid deliveries, rotations of United Nations peacekeepers, and evacuations organized by foreign embassies. It also helps to prop up a national

economy that largely has collapsed as a result of decades of war and political dysfunction.

Lebanon has airstrips and military airfields, but Beirut is home to its only proper airport.

That reliance is one of Lebanon's biggest vulnerabilities in war, and the risk that the airport could close is a major security concern.

The last international carriers stopped operating in late summer.

Israel bombed the runway in 2006 at the start of a month-long conflict, forcing foreign governments to evacuate tens of thousands of their citizens by ship. Fears the airport could be targeted again spiked this past September, after an Israeli military spokesman said enemy flights with combat equipment wouldn't be allowed to land.

The next day, an Iranian cargo plane, which had been sanctioned by the U.S. for transporting weapons to Syria on behalf of Iran's Islamic Revolutionary Guard Corps, sought to land. Lebanese Transport Minister Ali Hamieh said an Israeli military pilot delivered a threat

to the control tower in Beirut: If the airplane lands, it would be handled with force. Hamieh denied the plane permission to land to prevent damage to the airport, he told the Journal.

Lebanese aviation authorities say they have limited assurances from the U.S. and some European governments that are in touch with Israel that flights can continue to operate safely to and from Beirut.

State Department spokesman Matthew Miller said last month that the Biden administration has told Israel it wants Beirut's airport and the roads leading to it to stay open so foreigners who want to leave can.

Israel's military declined to comment on keeping the airport open. Hezbollah denies storing weapons at the airport.

In the past year, Middle East Airlines shifted most of its 22 planes out of Lebanon due to rising insurance costs and to avoid losing them if the airport gets bombed. It keeps just a handful of planes in Beirut overnight to secure morning landing slots in Europe.

Israel, Hezbollah Get Closer to Deal

BEIRUT—The lead U.S. negotiator on ending the war between Israel and Hezbollah said he made progress during a two-day trip to Beirut, and would travel to Israel to try to secure a cease-fire agreement that has proven elusive.

By Adam Chamseddine, Dov Lieber and Stephen Kalin

Amos Hochstein, a U.S. special envoy, stayed an extra day in Lebanon, where he met with Lebanese officials, including Parliament Speaker Nabih Berri, a senior Shia politician who is a go-between with Hezbollah—a U.S.-designated terrorist group with which American officials are forbidden to have direct contact.

"I just concluded another meeting with Speaker Berri. The meeting today built on the meeting yesterday and made additional progress," Hochstein said on Wednesday.

He described his initial conversation with Berri on Tuesday, which lasted about two hours, as "very constructive and very helpful."

The gaps between both sides were narrowing significantly, he said, following several rounds of inconclusive talks.

Hochstein declined to publicly discuss the sticking points. But people briefed on the talks said they included a mechanism for ensuring Hezbollah's compliance with the terms of any cease-fire and Israel's insistence on maintaining the right to strike in Lebanon in self-defense.

Lebanese officials said this week that most of the terms of the deal Hochstein is working on were acceptable, but they objected to Israel's insis-

tence to be able to strike Lebanon in response to imminent threats. Similar Israeli demands were a stumbling block in cease-fire talks to end fighting with Hamas in Gaza.

The deal under discussion calls for enforcement of existing United Nations resolutions, including Security Council Resolution 1701, which ended the war between Israel and Hezbollah in 2006 but failed to maintain the demilitarized buffer zone it promised in southern Lebanon.

Iran-backed Hezbollah would have to dismantle its military infrastructure south of the Litani River, while Israel would withdraw its forces from Lebanon. The Lebanese army, which is separate from Hezbollah's forces, would deploy its troops in the south. Neither Hezbollah nor Israel has fully respected the terms of 1701, and the Lebanese army and U.N. forces have proved incapable of enforcing it.

Hezbollah has conveyed a generally positive outlook to recent versions of the proposal, a person familiar with the talks said.

Hezbollah Secretary-General Naim Qassem said on Wednesday in televised remarks that he wouldn't speak publicly about the proposed agreement or the group's position. Qassem, who took over after his predecessor, Hassan Nasrallah, was killed in an Israeli airstrike in September, said he wants to end Israeli attacks and safeguard Lebanese sovereignty.

While Israel feels it is close to securing a cease-fire, it is negotiating a separate understanding with the White House about enforcing the agreement if the Lebanese military fails to do so, said a person familiar with the matter.



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WORLD NEWS

In Brazil, Xi Cultivates A Friendship

Two leaders aim to check U.S. power, deepen trade ties as Trump's return looms

BY JAMES T. AREDDY
AND SAMANTHA PEARSON

RIO DE JANEIRO—Xi Jinping is cultivating a rapport with Brazilian President Luiz Inácio Lula da Silva—someone he calls a like-minded good friend—as the Chinese leader prepares for a thorny trade relationship with President-elect Donald Trump.

The populist leftist shares Xi's goals of checking America's global economic dominance. When the two met here this week at a gathering of the Group of 20 largest economies, da Silva grabbed him for a hug.

The warmth in the relationship is grounded in the two countries' mutual economic needs.

"What China and Brazil do together will resonate across the globe," da Silva said while standing near Xi after the nations said they signed 37 agreements across a wide range of sectors, including agricultural and mineral resources, trade and investments, plus infrastructure, finance, science and technology, as well as a number of social sectors.

Xi added, "We agreed that this relationship is at its best moment in history," while the official Xinhua News Agency quoted him forecasting a bright future by citing the Brazilian soccer great Pelé in saying the most exciting goal is the next one.

The resource-hungry Chinese economy depends on

Brazilian iron ore, soybeans, beef, oil and other commodities to the point where Brazil is the rare country with a trade surplus with China, its biggest trading partner. Brazil has an appetite for a variety of Chinese semiconductors, fertilizers, steel and auto parts, chemicals and vehicles.

China's ties to Brazil—with the largest economy in Latin America—could help Beijing offset the blow from Trump tariffs to its struggling economy. The links also showcase how alternative trade routes can circumvent the U.S. For example, China could amp up imports of soybeans from Brazil and limit its intake from U.S. farmers in a trade fight.

While leaders are concerned that Trump's policies could disrupt trade flows globally, Xi and da Silva, who is often known as Lula, are just as intent on keeping goods moving.

"There is little the U.S. can do at this juncture to reverse that trend," said Margaret Myers, who follows China's relationship with Latin America at Inter-American Dialogue, a Washington policy group. Others echoed the view.

During Trump's previous trade war, China increased agricultural imports from Brazil while slowing them from the U.S.

The China-Brazil relationship is deeply rooted and will not change because of a change in the U.S. presidency," said Jiang Shixue, a professor and director of the Center for Latin American Studies at Shanghai University.

Xi and da Silva have personal stakes in demonstrating solidarity. Da Silva has made



Chinese leader Xi Jinping and Brazilian President Luiz Inácio Lula da Silva signed bilateral agreements on Wednesday.

ERALDO PEREIRA/ASSOCIATED PRESS

Echoes of a 'Bromance,' but With a Twist

The deepening partnership between Chinese leader Xi Jinping and Brazilian President Luiz Inácio Lula da Silva carries echoes of Xi's "bromance" with Russian President Vladimir Putin. Xi has called Putin his best friend, and sought to undermine Western efforts to isolate Moscow after its full-scale invasion of Ukraine in February 2022.

The analogy goes only so far. China's nearly \$18 trillion gross domestic product, roughly eight times as large as the respective economies of Brazil and Russia, makes it the larger partner by far in both relationships. But da Silva is less beholden to China than Putin, who as a global pariah needs Beijing. The da Silva-Xi relation-

ship is based on business more than geopolitics, and therefore less of a snub to the U.S. and other Western powers than Xi's interaction with Putin.

China's demand for commodities alone means "Brazil has a lot more bargaining power than Russia," said Leolino Dourado, a researcher at Universidad del Pacífico in Lima, Peru.

U.S. Firms Get Ahead Of Tariffs

Continued from Page One
products making up the biggest chunk.

Wan Junhui, who works in marketing for an electronics manufacturer in Guangdong province, said his company has observed an increase in inquiries and "noticeable unease" from its U.S. clients recently. He said tariffs haven't affected sales significantly, but that buyers end up absorbing the levies and sometimes raise prices for end customers.

Though China's share of U.S. imports has declined to about 14% in 2023, from 22% in 2017, rising tariffs between the U.S. and China have done little to curb the overall U.S. deficit in global trade or China's overall trade surplus.

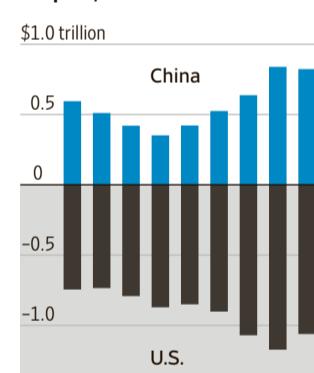
The persistent trade imbalance is driven by strong demand from U.S. consumers and weakening domestic demand in China, the IMF said. U.S. firms have boosted their share of imports from places such as Vietnam, while China has increased exports to regions including Southeast Asia.

Tariffs aren't paid by exporters, but rather by businesses that import products. Economists have said those businesses usually pass on the bulk of the cost to consumers by raising prices.

Some economists doubt the U.S. will succeed in raising tariffs to 60% across the board on Chinese products. Economists at Goldman Sachs predict additional duties on China could average out to a 20-percentage-point increase in the effective tariff rate.

In addition to duties on Chinese goods, Trump proposed tariffs of 10% to 20% on imports from all countries.

That would be the worst-case scenario for Leah Dark-Flury, co-founder of Stone Flury, a natural-stone and



find a suitable alternative to Chinese production.

A 2024 survey by Bain & Company found that 69% of chief executives and chief operating officers plan to reduce their company's dependence on China, up from 55% in 2022.

Ryan Bursky, CEO of Lucidity Lights, a maker of lighting products in Boston, said the expectation of new tariffs is only accelerating a process under way at his company. Lucidity Lights made a strategic decision last year to begin sourcing outside of China, where it had previously done all of its production, in part because of the first phase of the trade war.

The company is on track to do about 15% of production in Cambodia this year, with plans to move about half of production out of China next year. He believes it is a better use of resources to invest in supply-chain diversification, rather than stockpiling. Bursky said it has taken some time to find the right suppliers in Cambodia, which is still growing its manufacturing capacity and speed.

But he thinks that the products made in Cambodia are better quality and that there is more attention to detail.

Joe Jurken, the founder and managing director of the ABC Group in Milwaukee, which helps U.S. businesses manage supply chains in Asia, expects China to still dominate manufacturing somewhat, even as his clients have beefed up sourcing from countries such as Vietnam, India and Cambodia.

China has developed infrastructure, communication and transaction channels that make doing business easy for Western companies, while those systems are still being developed in other countries, he said. Plus, it is hard for manufacturers in other countries to beat Chinese suppliers' low prices.

"China will never be replaced," Jurken said. "Other markets are an alternative."

Junod, who started his skincare business in 2020, has considered looking for manufacturers in Southeast Asia, but believes it would be difficult to replicate the low cost and high quality he has come to rely on from his Chinese suppliers.

"It feels like we're being punished because there isn't really anywhere else for us to turn domestically," he said of Trump's proposed tariffs. "We have no choice, really, but to pay them."

430

Billions of dollars of Chinese goods American companies bought last year

of tariffs. That could cost up to around \$100,000 and last her between a few months and a year, depending on customer demand. In the longer run, she expects to raise prices on materials from China and shift some sourcing to Vietnam.

"I wish that I could buy enough to get us through the four years," she said.

Front-loading imports "is a short-term solution," said Chris Tang, a professor of supply-chain management at the University of California, Los Angeles. Businesses are likely to need additional strategies in a world with persistently higher and broader tariffs.

Companies have been moving manufacturing to places such as Southeast Asia and Latin America from China, a trend that is expected to continue—if buyers are able to

Washington's Center for Strategic and International Studies.

As da Silva put it this year, "Brazil-China ties are increasingly important for building the multipolar order."

The leaders said they signed a memorandum of understanding between a company affiliated with Brazil's Ministry of Communications and Shanghai Spacesail Technologies, which operates a low-orbit satellite communications system. Xinhua reported that the Chinese group would offer communication internet services to remote areas of Brazil.

Brazil's relationship with China is unlikely to be on Trump's radar screen immediately. His primary regional focus will be Mexico.

"It's tough to say how much Trump is going to care about Brazil," said Berg, who said Washington tends to treat Brazil like "an optional relationship."

—Clarence Leong contributed to this article.

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FROM PAGE ONE

DOJ Wants Google to Sell Chrome

Continued from Page One
billions of dollars a year to be the default on its Safari browser.

"The remedy must enable and encourage the development of an unfettered search ecosystem that induces entry, competition and innovation as rivals vie to win the business of consumers and advertisers," the department and over two dozen state plaintiffs wrote.

The government's proposal also goes after Google's role in the young artificial-intelligence market, which is starting to displace traditional search. The Justice Department wants the court to compel Google to allow website publishers to opt out of having their data used to train its AI models. Alternatively, the search giant could pay publishers to use their data.

In a statement this week,

Google said a forced spinoff of Android or Chrome would "harm consumers, developers and American technological leadership." It accused the Justice Department of using the case to push a policymaking agenda.

About half of U.S. internet searches go through products where Google has paid to be the default, including Android phones, Apple devices and browsers such as Firefox, according to Mehta's opinion. Another 20% go through Chrome browsers that users have downloaded themselves and default to Google search.

Advertisements next to search results accounted for 57% of Google parent Alphabet's \$307 billion of revenue last year.

U.S. District Judge Amit Mehta will oversee a trial starting in April to decide how to address Google's antitrust violations. The judge has said he plans to decide by August. Google is expected to appeal his decision. That could delay the impact of a ruling for months or years.

Wednesday's filing is the capstone of a legal effort by Biden administration antitrust enforcers to dilute the domi-



Google's headquarters in Mountain View, Calif.

they gather from searches conducted by users, in a cycle where success leads to higher quality, which leads to even more success.

Spinning off Chrome and Android would be the most effective way to ensure other search engines get an opportunity to compete, said Fiona Scott Morton, a Yale University economist who served in the Justice Department during the Obama administration. As long as Google controls them, it will have a strong incentive to steer users toward its own search engine, she argued.

The Justice Department and the dozens of states that joined the lawsuit went back and forth on potential remedies in recent days. They initially planned to ask for a spinoff of Chrome only if Google failed to comply with limits on how it ties search to its other products.

But on Wednesday, the plaintiffs decided to seek a sale of Chrome independent of any other conditions, people familiar with the matter said.

Android and Chrome have been central to Google's fortunes over the past two decades. Google CEO Sundar Pichai helped lead the

nance of Google, Apple and Amazon. Google was the first of the defendants to get to a courtroom and the proposal to spin off Chrome shows how far the government will go to cut the tech giants down to size.

In an opinion 25 years ago, judges on the U.S. Court of Appeals for the District of Columbia Circuit vacated a lower court's order to break up Microsoft. They suggest that remedy was only appropriate when a monopoly had been formed through mergers, as opposed to organically grown.

While the Justice Depart-

ment will gain a new antitrust chief after President-elect Donald Trump takes office, Republicans have generally supported antitrust action against the company. The department filed the lawsuit in 2020 when Trump was president.

Google's policy of pre-installing its search engine on Android devices and defaulting Chrome searches to itself have made it nearly impossible for rivals to gain the users and data required to improve their search engines and compete, Mehta ruled earlier this year.

Search engines typically improve based on the data

Covid-19 Backlash Aided RFK

Continued from Page One
people who long distrusted mainstream medicine and food conglomerates. Together, they helped return Donald Trump to the White House. With the president-elect's selection of Kennedy to head the Department of Health and Human Services, the medical establishment is bracing for an overhaul of U.S. health policy.

Health authorities who beat the pandemic worry about losing more trust from the people they worked to save. Doctors, scientists and public-health officials are asking themselves how they can win it back. Among their post-election revelations: Don't underestimate or talk down to those without a medical degree.

Officials fear that Kennedy will promote unproven remedies, appoint vaccine skeptics to immunization-advisory committees and hamper the infectious-disease investigators in a future pandemic.

Kennedy has said he opposes food coloring and additives, the widely used pesticide glyphosate, seed oils and foods with added sugars, among many other issues. Medical authorities say some of his views, such as suspicion of ultra-processed foods, have scientific merit, while others are unfounded. The food and pharmaceutical industries are planning to win him over where they can and do battle where they can't.

Kennedy didn't respond to requests for comment.

Much of Kennedy's popularity reflects residual pandemic anger—over being told to stay at home or to wear masks; the extended closure of schools and businesses; and vaccine requirements to attend classes, board a plane or eat at a restaurant.

"We weren't really considering the consequences in communities that were not New York City," the places where the virus wasn't hitting as hard, former National Institutes of Health Director Francis Collins said at an event last year.

Authorities focused on ways to stop the disease and failed to consider "this actually, totally disrupts peoples' lives, ruins the economy and has many kids kept out of school," Collins said. The U.S. overall took the right approach, he said, but overlooking long-term consequences was "really unfortunate."

Health officials wonder if they have sufficient clout for the next national emergency. "Science is losing its place as a source of truth," said Dr. Paul Offit, an infectious-disease physician at Children's Hospital of Philadelphia.

Pandemic restrictions wore on Joel Grey, a 62-year-old retired car salesman in Belfair, Wash., who voted for Trump. He got vaccinated only because diabetes put him at higher risk of complications from Covid-19. He blamed his mother's death at 87 partly on the isolation of lockdowns.

Grey became frustrated with scientists telling Ameri-



CLOCKWISE FROM LEFT: KEVIN WINTER/REUTERS; NATE SHALWOOD FOR WSJ; IAN BATES FOR WSJ; SARAH BLESNER/WSJ

Clockwise from left, Robert F. Kennedy Jr. speaking at Bitcoin 2024 in Nashville, Tenn., on July 26; Palmira Gerlach in Sewickley, Pa.; Joel Grey in Belfair, Wash.; Jessica Malaty Rivera in San Francisco; and Ashley Taylor in New York City.

cans how to live, a view that resonated more broadly.

In October 2023, 27% of Americans who responded to a Pew Research Center poll said they had little to no trust in scientists to act in the public's best interests, up from 13% in January 2019.

Children's Health Defense, a nonprofit group founded by Kennedy, got a boost during the lockdown era, a time of surging interest in alternative medical and nutrition information and advice. The nonprofit raised more than \$46 million from 2020 to 2022, nearly 10 times more than it collected in the three years before the pandemic, tax filings show.

Latest Nonsense'

The group published articles saying Covid-19 vaccines sabotaged the immune system and enriched shareholders of drugmakers. "Ignore the Latest Nonsense About 'Variants,' Stay Focused on Dangers of COVID Shots," read the headline of one 2021 article. Others took aim at Dr. Anthony Fauci, head of the federal government's infectious-disease research center, and groups that supported vaccines.

To counter such views, Jessica Malaty Rivera, an epidemiologist with hundreds of thousands of Instagram fol-

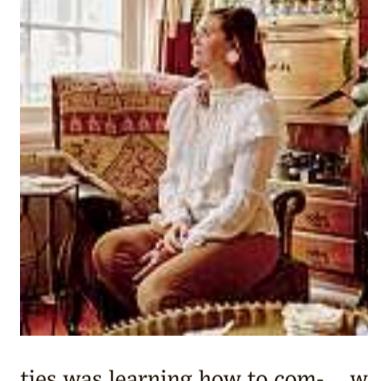
lowers, shared information on the importance of vaccines and face masks. She dismissed unsupported claims as misinformation and described some of their purveyors as grifters.

Looking back, Rivera said her sometimes scolding messages weren't helpful. "Everybody has been tempted by the slam dunk," she said. "It's not an effective way to communicate science. It's just not." She and others say they are dialing back the use of the word misinformation, saying it makes people feel they are being called liars or dumb.

During the pandemic, Palmira Gerlach had questions about the Covid-19 vaccines, but doctors "were very dismissive," the 44-year-old recalled.

Gerlach, a stay-at-home mother outside Pittsburgh, said she falsely told her child's pediatrician that she got the shot, seeking to avoid judgment. The doctor told her, "Good girl." Gerlach turned to podcasts featuring Kennedy, drawn to his willingness to question pandemic measures.

One challenge for health authori-



A crowd cheering Robert F. Kennedy Jr. at a Sept. 29 rally on the National Mall in Washington, D.C.



development of Chrome in 2008 and later oversaw Android after its creator Andy Rubin stepped aside from his leadership role.

If Google sold Chrome, the new owner could select a company to be the default search engine, or users might have to choose an option.

As the world's most popular search engine, Google would likely still get many queries through Chrome, Safari and other browsers if the Justice Department gets its way. But even a small loss could upend an industry in which competitors including Microsoft's Bing and the independent DuckDuckGo have single digit market shares.

DuckDuckGo said queries through its search engine on Chrome rose about 75% in Europe after Google introduced a "choice screen" in the browser in response to the European Union's Digital Markets Act.

A divestiture of Chrome would also deprive Google of user data that help it deliver targeted advertisements. Google encourages users to sign in when using Chrome, which makes it easier for the company to track their online activity.

many establishment health figures agree that scientists need to do more to understand the role of microplastics and so-called forever chemicals in food and water.

Yet many scientists and food-industry officials say some of the food colorings and chemicals Kennedy pinpoints as dangerous don't affect human health in such small quantities. Nearly all are alarmed by Kennedy's unproven or disproved claims—that vaccines cause autism, AIDS might not be caused by HIV and antidepressant drugs might be linked to mass shootings.

Ashley Taylor, a 33-year-old entrepreneur in New York City, sides with Kennedy's views on food safety and the role of experts. She became critical of traditional medicine after scoliosis surgery as a teenager left her reeling in pain and reliant on Tylenol. She said she rejected her doctors' recommendations and found relief from her back problems with acupuncture, a nutritious diet, yoga and positive thinking.

Taylor said that health authorities during the pandemic ignored studies on natural immunity and didn't acknowledge that people who had been infected with Covid-19 might not need to be vaccinated. "What I just don't approve of is purposefully presenting information in a way that is not allowing the American public to arrive at their own opinion," she said.

Taylor listened to part of Kennedy's book, "The Real Anthony Fauci: Bill Gates, Big Pharma, and the Global War on Democracy and Public Health." She was attracted to his ideas even more after watching a September round-table on nutrition featuring Kennedy and his allies, hosted by Sen. Ron Johnson (R, Wis.) in the Senate.

After previously voting for Democrats, Taylor said she cast her ballot for Trump.

Mainstream doctors, researchers and health officials are bracing for a Kennedy-led federal health department. They are considering how best to communicate with the public if they need to counter decisions that stray from established public-health measures.

Some Food and Drug Administration staffers have already stopped saying that vaccines are safe and effective, instead advising that the benefits outweigh the risks, a person familiar with the matter said. The change is intended to make clear that all medical interventions have risks, the person said.

Virologist Dr. Greg Poland said he advises scientists to communicate with humility and empathy, to speak as a compassionate physician would with a patient. "We're not dogmatic. We're not about forcing people," he said. "We're about imparting information."

To build trust in vaccines, Poland, who is also a Presbyterian minister, speaks to conservative churches and civic groups. He tells them he will be truthful and transparent and then explains how vaccines work and how scientists arrive at a consensus.

Poland said he stays until he has answered every last question.

—Aaron Zitner contributed to this article.

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Thursday, November 21, 2024 | A9


CARRY ON
DAWN
GILBERTSON

t's time for my second annual holiday travel hot take.

If your carry-on bag is too heavy to handle, check the damn thing. Yes, this is harsher than last year's missive on driving to the airport for the people you love.

But it's a message some travelers desperately need to hear if we're ever going to hasten boarding and deplaning: Wouldn't we all be better off if U.S. airlines could nudge their on-time departure rate north of their 75.5% average so far this year?

We've all seen those passengers struggling to get a big bag into or out of the overhead bin. They stand in the aisle waiting for assistance from a fellow passenger or flight attendant. It clogs things up for everyone else. A few of them have good reasons for doing this. Many don't.

And don't get me started on passengers who point to their bags three rows back as soon as the plane lands, expecting everyone else to get it to them, via overhead conga line, so they can get off the plane quicker.

"You just watch it go down and think to yourself, 'What were you thinking?'" says David Anbari, a frequent flier from Atlanta who works in medical equipment services and management.

Anbari, who travels with a backpack that fits under the seat, says he gets asked to help with someone else's carry-on bag nearly every flight. He obliges. On a trip to Houston two weeks ago, a woman in his early-boarding group

couldn't squeeze her big bag into the bin. He helped her maneuver the handle and wheels so it fit.

"Did it significantly delay boarding? No," he says. "Were there 10 people lined up in the aisle behind her? Yes."

Every second counts to get planes off on time.

Cash and carry-ons

The volume of carry-on bags has swelled since airlines started charging for checked bags more than 15 years ago, and those fees keep climbing.

Saving money is hardly the only motivator. Business travelers especially dread the time suck of baggage claim. Others fear, perhaps irrationally, the airline will lose their bag. (U.S. airlines mis-

handled 0.56 bag per 100 loaded on domestic flights year to date through June, down from recent years, according to the Transportation Department.)

And don't forget some airlines,

◀ Rachel Rischall says other fliers often help her with her bag in the overhead bin when she's not with her 6-foot tall husband.

including Delta and Alaska, pay up if your bag takes more than 20 minutes to reach the carousel.

Airlines are trying to handle the carry-on crush by installing bigger bins, closely policing the number of items per passenger (yes, that crossbody purse counts) and making all those requests to gate-check your bag.

One thing U.S. airlines generally don't do, though: weigh the bags people are carting onto planes. I've had my carry-on weighed by European carriers, but never by a U.S. airline—most have no posted weight limits like they do for checked baggage. There are size limits, with bag sizers at the gate, but the use of them is inconsistent outside of budget airlines that charge for a carry-on.

As a result, many travelers stuff their bags silly. I've been known to

sit on my Away bag to zip it.

For the record, the only time I asked for help was after rotator-cuff surgery in 2020. If I'm nervous about squeezing it into a bin, I gate-check it. In my book, the elderly, those with injuries and parents juggling toddlers and car seats get a free pass for carry-on assistance.

Danger overhead

Harris Clayton, who lives in Atlanta and works in internal auditing, admits to occasionally overpacking his carry-on. But he usually doesn't lug said bag onto the flight. He takes advantage of airlines' offer to gate-check it free and wishes more people did the same.

If the airline doesn't make an announcement at the gate, ask an agent and they will generally oblige. You typically pick it up at baggage claim, not the jetway.

"Save your back and your neighbor's head," Clayton says.

He is 6 feet tall and says he's regularly asked to help with bags.

He pitches in, but worries about the safety risk of heaving heavy bags over the heads of strangers.

"I don't know if something else is going to fall out with it," he says.

Rachel Rischall, a public-relations consultant in Chicago, stands at 5 feet 2 on a good day. She has made peace with politely asking for help with her Away carry-on when she isn't traveling with her 6-foot husband. She calls herself a judicious packer and says getting the bag into the bin herself requires a "multistep weightlifting maneuver."

Often, she doesn't even have to ask for assistance.

"I think there's an innate response, where somebody is much closer to the ceiling of the plane and says, 'Why don't I just take care of this?'"

She says she repays the kindness by helping other passengers when she can, even switching seats.

"Could there be a whole class of people out there who hate me?" she asks. "Sure."

Forget Kale, Beans Are Hot Health Star

By ANDREA PETERSEN

T hat can of beans in the back of your pantry is becoming the new hero of the American diet.

The humble bean, long a culinary bit player, has become a darling of nutritionists. High in protein and fiber, and low in fat, beans help lower blood pressure and cholesterol. Recent research suggests that eating beans frequently can improve gut health, and might lower our risk of cardiovascular disease, obesity and colon cancer.

High in iron, potassium and folate, beans are "a nutrient powerhouse," says Amy Bragagnini, a registered dietitian in Grand Rapids, Mich., and a spokeswoman for the Academy of Nutrition and Dietetics. They're inexpensive and keep for a long time.

Beans have, somewhat improbably, cultural cachet, too. On TikTok, an account devoted to "dense bean salads" has more than 2.7 million followers, with recipes that mix beans, bell peppers, tomatoes and sliced chicken, for example. Beanlandia, a new, legume-focused museum and community center in New Orleans, serves as headquarters for an annual bean-themed parade, replete with marchers in suits bedecked with dried beans.

Rancho Gordo, a seller of heirloom bean varieties such as Christmas lima and King City Pink, has an approximately \$200-a-year-subscription bean club with 26,000 members and a wait list of about 20,000. The founder and chief executive, Steve Sando, whose "Bean Book" cookbook hit bestseller lists this year, gives sommelier-like de-



scriptions of such beans as Eye of the Goat, which he deems "kind of beefy and velvety," adding it "releases the most divine bean broth."

Bean benefits

Much of the new enthusiasm for beans comes from research showing how they help balance the gut microbiome, which reduces inflammation in the body and potentially cancer risk. Beans contain starches and other components that helpful gut bacteria like to eat, said Carrie Daniel, a professor of epidemiology at the University of Texas MD Anderson Cancer Center.

Eating beans "keeps the beneficial players happy and functioning in the gut microbiome," she says.

In a recent study, Daniel and colleagues had participants—people with obesity and a history of colon cancer or precancerous polyps—either eat their normal diet or add beans every day for eight weeks. The subjects who ate beans daily had greater diversity in their gut microbiomes, along with increased good bacteria and a decrease in bad bacteria after two months. Stool

and blood samples showed the changes were a result of the beans.

The study, which involved 48 participants, was published in 2023 in the journal eBioMedicine. The researchers bought the beans used in the study with funds from a program created by a bean growers' group. The bean industry and the USDA Pulse Crop Health Initiative, a government program launched in 2018 to promote the consumption of beans, peas and lentils, has funded other research into beans' benefits.

Beans star in the latest round of the government's dietary-advice discussions. Scientists advising the government on dietary guidelines have drafted a proposal to increase the recommended amount of beans, peas and lentils that Americans should eat each week, up from the current guidance of 1.5 cups, or about one can, for adults ages 19 to 59 consuming a 2,000-calorie-a-day diet. Most people eat about half that now.

Beans are high in fiber, which most Americans don't eat enough of. Fiber-rich foods keep us fuller longer and help with weight management, says Jamie Mok, a registered dietitian in Los Angeles and a spokeswoman for the Academy of Nutrition and Dietetics.

The protein and fiber in beans also help reduce spikes—and subsequent crashes—in blood sugar, says Bragagnini. This can help our bodies use insulin more effectively and curb sugar cravings, she says.

Not everyone is on board. The scientists advising the government on the dietary guidelines have also drafted a recommendation that Americans limit red meat, and instead eat more plant foods such as beans, peas and lentils.

The notion has met with near-immediate derision from the meat industry.

"We would laugh at the suggestion that beans, peas and lentils are going to replace lean red meat and fill all the nutrient gaps Americans are facing if it weren't such a dangerous and deceptive idea," says Ethan Lane, vice president of government affairs at the National Cattlemen's Beef Association, a trade group for cattle farmers and ranchers.

How to eat more beans

Add beans to things you already eat, such as salads, soups, eggs and the meat sauce you put on pasta, Mok suggests. Bragagnini recommends snacks including roasted chickpeas and steamed edamame. And when you make chili or burgers, replace some of the meat with beans, she says.

There is, of course, a reason that beans are dubbed the "musical fruit" as the song goes. They can cause gas and bloating, especially if you're not used to eating them. Dietitians advise people who want to add beans to their diet to start slowly. Begin with a quarter cup, suggests Mok. Drink plenty of water, which can prevent fiber-related constipation, and move around if you feel bloated or gassy, says Daniel.

"The issue with beans is you just have to work your way up, and you have to continue to eat them," Daniel says. "Your body will acclimate."



◀ Participants in a bean-themed parade in New Orleans.

PERSONAL JOURNAL.

Award for Expense Fraud Goes to ...

Outlandish charges on company cards include strippers, Christmas gifts and an RV and can be worst at end of the year

**ON THE CLOCK**

CALLUM BORCHERS

Did you hear the one about the employee who booked a cruise on the company credit card? Or the guy who tried to expense a couple of Jet Skis?

We've all heard about people who fudge their expenses, but some of them belong in an Expense Account Shenanigans Hall of Fame.

James Tomes sometimes tells his employees to treat themselves and their spouses to dinner on the company dime after a week of business travel. The president and chief executive of Telgian, a fire-protection consulting and engineering firm, says he tries to be a generous boss, though some employees have still tried to take advantage. A few put date nights on the corporate tab without asking, but one case of taking liberties stands out.

"One guy bought his whole family's Christmas presents with the company credit card," says Tomes, who fired the employee over the \$2,500 bill. "He said he traveled a lot and the company owed this to him."

Santa Claus is making a list and checking it twice, but this is the time of year when overwhelmed accounting departments can miss some tricks as they race to close the books at year-end. Awash in receipts, finance teams

"kind of push things through as quickly as possible," as the year draws to a close, says Sarah-Jayne Martin, a director at financial-automation and business-software company Quaidient.

For the less scrupulous among us, December can be "a perfect time to submit something where there might be fraudulent activity," she says.

Once an exclusive perk, corporate cards are in the hands of more workers these days, says Katie MacKillop, U.S. director of Payhawk, which works with companies like American Express to administer company credit-card programs.

Brazen abuses

Expense fraud costs businesses an estimated 5% of revenue on average and appears to be on the rise, according to the Association of Certified Fraud Examiners. The industry group says it's possible companies simply catch more fraud than they used to, thanks to smarter software. Then again, artificial-intelligence tools make doctoring receipts easier than ever.

Martin says her firm's clients have uncovered brazen abuses, including romantic getaways. In that case, an employee picked vacation destinations where he traveled frequently for business, so the extra trips initially went undetected.

In another episode, an employee claimed her luggage got lost on a business trip, leaving her with nothing to wear to a meeting. Charging a new outfit to the company was reasonable, Martin says, but the employee

went for designer brands.

Then there was the man who discovered a certain strip club was categorized as a restaurant by his corporate-card issuer. He'd use his company card at the club and submit the expense as a business dinner, Martin says.

Bogus expenses are often so small that they don't hurt a company's overall health, but some can, says Tomes. When his business was young, in the early 1990s, he discovered a bookkeeper had fabricated roughly \$50,000 of invoices for phony janitorial, furniture and consulting services and pocketed the money. Worse, some legitimate invoices hadn't been paid. It took months to dig out of the hole, with Tomes temporarily foregoing his salary to help repair the budget.

Dishonest employees are rare, he says, but now he takes no chances. Expenses at his company go through three layers of review. Even small businesses trying to limit costs should pay for at least two sets of eyes, he suggests.

Dubious honor

For finance types, rooting out expense fraud is like a sport. At SAP, maker of the expense-reporting software Concur, auditors vie for unofficial quarterly awards for exposing the most outlandish charges.

One employee of an SAP client

put his \$1,659 monthly mortgage on the company tab. He got away with it for several months by disguising his lender as a business vendor.

Someone at another company tried to purchase an RV with a corporate card, according to SAP. On the road for a six-month assignment, he contend the motor home would be cheaper than hotel. The transaction was declined.

Employees of several SAP clients have expensed makeup, arguing their client-facing roles require them to look their best. One tried to bill her employer for plastic surgery.

The pandemic spawned new kinds of expense-account abuse, according to SAP. Home-office allowances were sometimes funneled to unrelated home-improvement projects. One man who used to work in an office with free coffee figured he could bill his company for a daily Starbucks run—even requesting mileage reimbursements for driving to and from the shop.

We gasp or laugh at others' gall, but plenty of us may be guilty too. About 15% of submitted expenses don't comply with corporate policies, according to SAP. Honest mistakes, like typos and accidentally blowing past spending limits as the cost of dining soars, account for many of those errors, says Chris Juneau, senior vice president and head of product marketing for SAP Concur. Still,

65% of business travelers in a 2022 SAP survey admitted to intentionally slipping personal expenses onto the company dime.

Damage done

The Jacksonville Jaguars were outscored by 46 points on Sunday, the most lopsided defeat in team history but arguably just their second-worst loss of the year. In March, a former financial manager was sentenced to more than six years in prison for stealing more than \$22 million from the NFL club.

Prosecutors said Amit Patel, who was a financial manager for the team, skimmed money by inflating hotel, airfare, catering and other expenses for at least three years. Patel pleaded guilty and said he stole to fuel alcohol and gambling addictions.

Auditors say financial pressures sometimes drive otherwise-decent people to cheat the system.

"For most people, the one place you go where you have access to somebody else's stuff is your place of work," says John Warren, chief executive of the Association of Certified Fraud Examiners. "If I'm a normal Joe Blow and I need money, I'm not going to go rob a bank."

People often rationalize stealing from a business as less harmful than taking from another person, Warren adds. They also tend to sneak through fake expenses in small increments, which delays detection. Uncovering an expense-fraud scheme typically takes 12 to 18 months, he says.

John Toman, co-founder and chief product officer of financial software maker Pivot Payables, says a new client in the construction industry recently discovered a longtime, trusted employee stole about \$120,000 over several years by padding expenses. The employee would buy supplies at a home-improvement store, throwing a \$500 gift card into the shopping cart for himself.

More employees are doctoring receipts, auditors say. For instance, they manipulate screenshots to make a client dinner for two look like dinner for five, altering prices and adding line items. Toman says Pivot Payables may soon be able to catch that. The company has a database of over 100,000 merchants' receipts, so it knows what a genuine one looks like. Using artificial intelligence and machine learning, the company is running trials to suss out such manipulation that isn't discernible to the human eye.

Toman's company has also developed virtual corporate credit cards to reduce fraudulent expenses by configuring them for use at certain stores within certain hours, and with predefined spending limits, adding an extra layer of security and control. Sharp-eyed accountants are often too late to save businesses from losses.

"Even if you find fraud, it's after the fact," Toman says. "The damage is done."

—Lynn Cook contributed to this article.

TAKU DOMERI/ISTOCK

Banana Sells For Big Bucks At Auction

Continued from Page One

Wednesday, Sotheby's in New York estimated its example from this bunch would sell for at least \$1 million, but at least seven bidders chased it far higher.

Ultimately it sold to Chinese collector Justin Sun, founder of cryptocurrency platform Tron. He intends to pay for the piece in crypto.

Cattelan, 64, splits his time between Milan and New York and has acted as the art world's court jester since the 1990s. He is known for creating impish, realistic sculptures that satirize powerful and wealthy institutions including politicians and the Catholic Church.

The artist said he came up with the idea of taping a banana to a wall after wearying of seeing a surfeit of big, splashy canvases dominating the art-fair circuit. A piece of fruit might "cut through the noise by putting something absurdly simple in the center of it all," he said.

Once he saw the piece drawing huge crowds to the fair, he said he called his dealer and "tried to buy back one of the editions for four times its original price, but no luck." They had already sold, Perrotin declined to comment.

Sotheby's marketed the fruit as a pinnacle of artistic achievement on



▲ The piece is being marketed as a pinnacle of artistic achievement on par with Andy Warhol's soup cans.

One stipulation is that the banana's curve should point right, not left. The fruit should also be displayed vertically, not horizontally like a smile, and roughly at eye level.

If someone visiting Sotheby's preview had tried to rip the banana off the wall and eat it like artist David Datuna did at one point during its Miami fair debut, Sotheby's was prepared.

Expert David Galperin said, "We have backups."

A version of the banana already belongs to a museum, sealing its cultural posterity. One of the original buyers of "Comedian" donated



▲ Artist David Datuna ripped the banana off the wall and ate it during the piece's debut at Art Basel Miami Beach.

their banana to New York's Solomon R. Guggenheim Museum. (The museum has yet to put the fruit on view.)

Billy Cox, a Miami-based collector, was another one of the original Banana buyers. Cox said he was transfixed as soon as he saw the piece at the fair, calling it an important historical work that comes about "once or twice a century." He said he and his wife, Beatrice, have no plans to sell their version.

Sotheby's declined to identify the seller of its piece, who bought it from another gallery earlier this year. But a tiny symbol in its catalog listing indicated that the house would accept cryptocurrency for the

work—a rarity in these evening sales that offered a clue into the artwork's potential pool of bidders.

Cryptocurrency investors, who last caused an art-world stir when they unsuccessfully competed to buy a copy of the U.S. Constitution at Sotheby's in 2021, have gravitated in recent weeks to a pair of meme coins inspired by Cattelan's banana, including a token called \$BAN that was minted on Oct. 25 by a Sotheby's employee.

The employee, Michael Bouhanan, is head of digital art and NFTs at the house, and he said in a statement on X that he launched the coin anonymously on the Pump.Fun platform a day after Sotheby's offered the Banana for sale as a "spontaneous project and a personal hobby completely unrelated to my role at Sotheby's." He said he told a few friends about the coin early on but didn't encourage them to buy it.

More than 23,000 wallets now hold \$BAN, and its fluctuating market cap has climbed to as much as \$330 million in the days leading up to the Sotheby's auction.

The fact that the Banana resurfaced at auction and fetched such a high price as the market tries to shake off a slump is telling.

Cattelan, its creator, said: "It's as if the auction house is leaning on a provocation to keep the show alive."

FROM LEFT: SOTHEBY'S; EVA DZATCHEV/REUTERS



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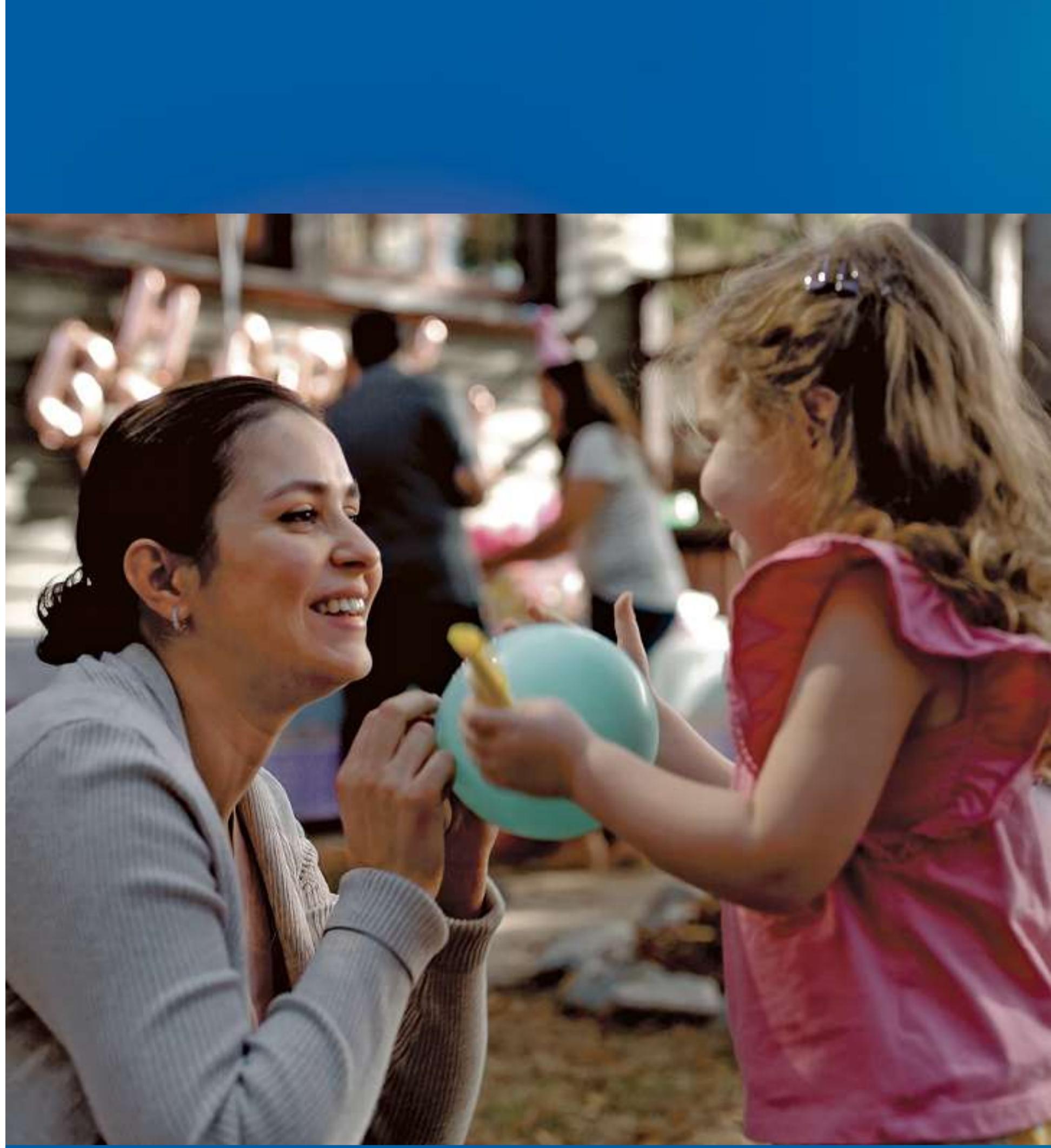
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ARTS IN REVIEW



FILM REVIEW | KYLE SMITH

Musical Magic in the Land of Oz

Cynthia Erivo and Ariana Grande star in Jon M. Chu's lavishly entertaining adaptation of 'Wicked'

'WICKED' MIGHT BE the most successful prequel ever written—the Broadway musical has been a top earner for 21 years—but when I heard that the film version ran two hours and 40 minutes(!) and covered only the first half of the show(!!), I thought I was in for a slog.

This has never happened before, but I was wrong!!!). With Ariana Grande as Glinda the Good Witch and Cynthia Erivo as her longtime friend, Elphaba, later involuntarily rebranded as the Wicked Witch of the West, part one of "Wicked" is a glorious return to the Golden Age musical. The combination of brilliantly conceived set pieces, crafty storytelling and immensely appealing characters—not to mention its playful and astute take on female friendship—puts it on the same level as "Frozen."

Inspired by Gregory Maguire's 1995 novel, the story (the script is credited to Winnie Holzman and Dana Fox, based on Ms. Holzman's book for the stage musical) seems even more timely today than when it opened on Broadway. The lavish fantasy style of "The Wizard of Oz" accompanies a concern for the mistreatment of minorities and a

suspicion of official narratives that are in perfect sync with our cultural moment.

What if one of the most hated villains of all time were actually a misunderstood hero who was unfairly smeared by propagandists with ulterior motives? After presiding over a somewhat wobbly prologue that starts immediately after the events of "The Wizard of Oz," Ms. Grande's Glinda takes us back to early days, when she was known as Galinda and Elphaba was a fellow student at the Hogwarts-like Shiz University, where they hope to learn sorcery under the tutelage of the revered headmistress, Madame Morrible (Michelle Yeoh). Galinda, a queen bee done up in acres of ruffled pink, gets stuck with the worst possible roommate, the shy, green-skinned girl who dresses in black and is too embarrassing to be friends with. The ensuing "What Is This Feeling?"—a song that rhymes "loathing" and "clothing"—is a sensational tune from composer-lyricist Stephen Schwartz ("Godspell," "Pippin"), staged with gusto by director Jon M. Chu ("Crazy Rich Asians").

Though the early numbers are wonderful, the story gets more



▲ Jeff Goldblum and Michelle Yeoh; the story is a prequel to 'The Wizard of Oz.'

compelling, and the songs even better, as things go along. (I think my favorite rhyme is "degree" and "verdigris," sung by Elphaba in the sweet ballad "The Wizard and I.")

The plot is so rich and eventful, and the script so witty, that the movie doesn't drag once the extended flashback starts. Moreover, every moment is eye candy. The screen bursts with whimsical costumes (by Paul Tazewell) and sets (Nathan Crowley is the production designer), and all of the important roles are impeccably cast.

◀ Cynthia Erivo and Ariana Grande in the film, based on Stephen Schwartz's Broadway musical.

Ms. Grande has an uncanny knack for playing a narcissistic bubble-headed diva, and draws a lot of laughs with her combination of unearned condescension and sweet idiocy. Jonathan Bailey radiates otherworldly charm as the handsome boy in school, Fiyero, who leads the cast in another blowout number, "Dancing Through Life," set in a library (what Galinda calls the book place). And Ms. Erivo is incandescent—fragile, touching, completely lovable—as Elphaba, who is meek and defensive in the early going while she tries to protect her disabled little sister (Marissa Bode) but gains confidence as Galinda shows her the tricks to social status in the classic comic song "Popular."

Nobody knows that Elphaba was born with magical powers that the others hope to learn, and she is also the one who first senses something isn't quite right at Shiz U: Talking animals such as a sagacious goat (voiced by Peter Dinklage) are instructors, but they seem to be losing the power of speech and a change in the political atmosphere takes away their right to teach, in scenes that carry metaphorical weight. (The animals have something like the status of Jews in 1930s Germany.) Perhaps a well-worded letter to the Wonderful Wizard of Oz (slyly portrayed by Jeff Goldblum in another outstanding casting choice) can save the animals. Or maybe Elphaba will learn to manage her own powers: "I think I'll try defying gravity," she says, setting up a concluding number that somehow manages to top everything that comes before it in its fusion of emotional power and eye-pleasing spectacle.

This is the origin story that provides a template for all others. Each element of Elphaba's persona—the green skin, the black hat, the link to the flying monkeys and finally the levitating broom—gets its own smart introduction. All of this would be merely clever if the movie weren't

also full of heart, but it is, with its love of animals and its dedication to establishing Elphaba as the defamed outcast. "Wicked" is the most entertaining film of the year and the most dazzling live-action Hollywood musical since "Chicago." To put it in the kind of lingo used in Oz, I pronounce it magnifical.

By DAVID MERMELSTEIN

New York

At a time when faith in traditional institutions has plummeted, how encouraging to find that the Berlin Philharmonic—one of classical music's most storied brands—sounds every bit as good as the reputation that precedes it. The orchestra is currently touring the U.S. for only the second time since Kirill Petrenko was appointed its chief conductor in 2019, following Simon Rattle's 16-year tenure.

In concerts on Sunday and Monday at Carnegie Hall, Mr. Petrenko—the 142-year-old orchestra's first Russian and first Jewish music director—proved that any doubts still lingering about his relatively low international profile prior to being voted into this plum job should be banished. Having repeated Sunday's program at Carnegie Hall on Tuesday and performed in Boston yesterday, the orchestra proceeds to Ann Arbor, Mich., on Nov. 23 and 24 and to Chicago on Nov. 26. (The tour commenced with a concert in Washington on Nov. 15.)

There is perhaps no job in music more freighted than the position Mr. Petrenko now has. In addition to traditionally holding lengthy tenures, the Berlin Philharmonic's chief conductors are popularly regarded as keepers of a sacred flame that requires careful tending. The orchestra's musicians bear a similar burden, with expectations that here sit the world's greatest exponents of the symphonic arts.

Mr. Rattle tried his damnedest to break with some of this tradition, programming (and commissioning) much new music, continuing a trend his predecessor Claudio Abbado had begun. But he also altered the ensemble's distinctive sound and style, effectively blunting its sonic allure even as he broadened its scope. Mr. Petrenko, it would seem, has re-

MUSIC REVIEW

The Symphonic Sublime at Carnegie Hall

stored much of the band's faded gleam, while retaining aspects of Mr. Rattle's streamlining.

But though Mr. Petrenko isn't averse to new music, he scheduled none for this tour. In fact, a cursory look at the two programs—Rachmaninoff's "Isle of the Dead," Korngold's Violin Concerto and Dvořák's Symphony No. 7 on the first bill; Bruckner's Symphony No. 5 on the second—suggests quite old-fashioned, even hidebound, musical sensibilities. But think again. The composers may be familiar, but none of these pieces, save the Korngold, top their hit parade. As for Korngold, known mostly in the U.S. for his Hollywood film scores, it has taken almost 80 years for his concerto to earn this kind of respect.

For these and many other reasons, Berlin's short New York residency often proved revelatory. The magic began at the very start, with Rachmaninoff's spooky tone poem, inspired by an Arnold Böcklin painting of the same name. Immediately, Mr. Petrenko's careful pacing and the transparent textures he drew from the players proved riveting—dankly Russian, ineffably haunting. You know that cliché about forgetting to breathe because you were so transfixed? Well, this was one such

► Violinist Vilde Frang, conductor Kirill Petrenko and the orchestra on Sunday.

occasion. But just how the conductor managed to weave a musical fabric equally dense and diaphanous remains a mystery.

The American star violinist Hilary Hahn was to have toured with the orchestra as soloist in the Korngold Concerto, but an injury forced her withdrawal. Vilde Frang, a Norwegian of justly increasing renown, replaced her, and no lover of this work had cause to complain, given her tender yet assured reading and glinting sound. Mr. Petrenko, too, revealed himself to be a believer in this resolutely upbeat concoction of repur-

posed movie themes, encouraging the orchestra to lend disciplined lushness to the technicolor strains. (Benjamin Beilman assumes the soloist's duties in Ann Arbor.)

The concert concluded with Dvořák's questing, lilting Symphony No. 7, in a performance that gratifyingly balanced coiled power and lyricism. The ever-smiling Mr. Petrenko is among music's happy warriors and doesn't shy from broad gestu-

tions on the podium. But that doesn't make him any less rigorous a maestro. His control over dynamic shading throughout both programs

suggested rare gifts, made all the more impressive by how quickly they were deployed and then reversed.

Monday's concert consisted of a single, monumental work, Bruckner's Symphony No. 5, programmed to honor the bicentennial of the composer's birth this year and running roughly 75 minutes on this occasion. The symphonies of Bruckner have long been a specialty of this orchestra, so the bar is particularly high. The key is pacing: Too fast, and the work loses character; too slow, definition. What's essential is vision, the ability to perceive an ending before there is even a beginning. Mr. Petrenko has this talent, and the players possess the skills to manifest it. Vistas shifted in this performance, but coherence never flagged. And those warm yet blazing brasses seemed heaven-sent when called upon. The woodwinds—with stars like the oboist Albrecht Mayer—lent piety. And the orchestra's bold string choirs, united in purpose, were that proverbial mighty fortress.

Those curious about Berlin's special claims but unable to attend one of its live performances can sample the orchestra's Digital Concert Hall, a bounteous streaming service of both live and archival concerts performed at the Philharmonie, the orchestra's storied home since 1963. But rewarding as those streamed events can be, they're no substitute for actually hearing the Berliners in a superb concert hall like Carnegie, where Mr. Petrenko fashioned a sound of noble intent, awesome technical polish and sonic perfection.

Mr. Mermelstein is the Journal's classical music critic.



OPINION

Can Trump Bust Up the Beltway?

WONDER LAND
By Daniel Henninger

It is no wonder that Donald Trump said at his postelection Mar-a-Lago gala: "You have to start my term from Nov. 5, OK?"

Mr. Trump knows the clock is ticking on his final term. His No. 1 second-term goal is to disrupt and dismantle Washington's inbred status quo. Welcome to America's longest-running war, Mr. President-elect. Glad to have you join us in the trenches.

As we wrote in this space some time ago, the Journal's editorial writers popularized the phrase "inside the Beltway" in the 1980s to describe "the moatlike highway around the nation's capital, whose inhabitants had become politically and psychologically isolated from the rest of the country." The Beltway remains impregnable.

In 1994, Newt Gingrich's Contract With America promised "a Congress that respects the values and shares the faith of the American family." Bill Clinton declared in his 1996 State of the Union, "The era of big government is over."

Thirty wheel-spinning years later, what are Mr. Trump's chances?

Divining what exactly is on Mr. Trump's mind is a fool's game. It seems clear the essential criterion for nomination to the Trump cabinet is relentless, televised assertions of loyalty to him personally. Alexander Hamilton in Federalist No. 76 warned the Senate against confirming a president's nominees who would be

"the obsequious instruments of his pleasure."

Let's not deny that obsequiousness fills the air just now. But also everywhere in our time is bureaucratic betrayal of the American people, whether undermining any conservative president's policy goals or deploying the FBI against the last one. If the obsequious succeed in corralling Washington, few will complain.

Matt Gaetz has become the poster boy for pliant assent to Mr. Trump's will. The former Florida congressman's nomination to be attorney general has devolved into questions about his moral fitness and a fight over releasing the House Ethics Committee's report on Mr. Gaetz.

Defenders of Mr. Gaetz say he'll smash the lawfare bureaucracies at the Justice Department and the FBI. Elon Musk calls him the "Judge Dredd America needs to clean up a corrupt system."

The fitness issue matters but is a distraction from whether Mr. Gaetz is the right choice. The more pertinent question is whether he would in fact succeed at making good on the Trump Beltway reforms.

Bluntly, if the Gaetz confirmation vote were held in the House, he'd fail because so many Republicans abhor him personally, not least because of his role in the pointless nationally televised spectacle that ran Kevin McCarthy out of the speakership.

In Washington, functional relationships matter, and Mr. Gaetz has almost none. Hold the screams about establishment sellouts. Since ancient Athens, success in achieving

political goals has depended on personal relationships. Washington, like it or not, is about politics.

In this respect, Donald Trump and Matt Gaetz couldn't be less alike. Mr. Trump is a relationship guy. He maneuvers people inside his deals. Mr. Gaetz does the opposite. He makes people not want to do business with him. As attorney general, he would fail, and the Comey-Holder legacy would survive.

Bureaucracies kept winning because no one paid attention to them. Until now.

Other nominees share Mr. Trump's intention to force the federal bureaucracies to rediscover that private markets, not they, make the U.S. economy function. It's fair to say Mr. Trump's cabinet is a herd of bulls in a china shop, but these nominees also know from experience that it's faster to walk around a floor strewn with broken crockery than right over it.

Doug Burgum, the North Dakota governor heading to the Interior Department, did endless deals to succeed in business and politics. Mr. Trump's EPA administrator, Lee Zeldin, an unstinting conservative advocate, has decent relationships with his home-state New York Democrats. Chris Wright, the nominee to head the Energy Department, couldn't have succeeded in the tough world of natural-gas fracking without persistence and relationship skills.

Two nominees less likely to reform Washington on its current course are Robert F. Kennedy Jr. at Health and Human Services and Pete Hegseth at Defense.

RFK Jr.'s targets are a) Big Food, b) Big Pharma, c) eliminating fluoride in water, d) the Food and Drug Administration, e) the National Institutes of Health and f) the Centers for Disease Control and Prevention. These agencies need reform, but his impossibly sprawling agenda risks bogging down in battles over scientific arcana such as food colorings. RFK Jr. will elevate discussion of some interesting controversies but possibly not much else.

Mr. Hegseth was airlifted from his weekend hosting job on Fox News to be defense secretary. The Pentagon is the greatest policy labyrinth in all history. Its "woke" problem can be solved overnight with a presidential directive. But if Mr. Trump is serious about rebuilding the U.S. military—which isn't entirely clear to me—he needs a second-term secretary who knows the terrain at least as well as the Defense Department's bureaucrats. There will be no heavier lift.

A reason these bureaucracies get away with so much is that so little sunlight reaches them. Notwithstanding recent concerns about "our democracy," few reporters volunteer to build a career covering unglamorous federal agencies. It's no surprise that, unended, Washington degraded into a swamp. Mr. Trump seems serious about pulling the plug. Like everything else about his presidency, we'll see.

Write henninger@wsj.com.

BOOKSHELF | By D.G. Hart

A City's History, Warts and All

Philadelphia

By Paul Kahan

Pennsylvania, 424 pages, \$39.95

On the subject of America, academic historians these days seem to live by the adage—the opposite of what their mothers taught them—that if they can't write anything negative, they shouldn't write anything at all. The persistent scolding in Paul Kahan's "Philadelphia: A Narrative History" is typical. What might have been a story that observed both the triumphs and failings of America's first capital is instead a soup-to-nuts treatment of the city's failings. A little humor—W.C. Fields once quipped that a paid vacation prize to Philly would be one week and the consolation prize two—might have offset the book's dismaying tenor.

That's not to say that Mr. Kahan's encyclopedic book lacks anything good, but you have to pay attention. In the colonial and founding periods, the city claimed the civic-minded Ben Franklin, who formed America's first volunteer fire company and hospital (among many other organizations). Philadelphia was also the place—Seventh and Market Streets, to be precise—where for 2½ weeks Thomas Jefferson drafted the Declaration of Independence.

Philadelphia's later achievements didn't match the ones of its Revolutionary era, but its Fairmount Water Works on

the Schuylkill River, begun in 1812, was the best water system then in the U.S. and attracted tourists drawn to its Renaissance-inspired facilities. In the 1830s, new rail lines were an instance of the city's efforts to open the nation's interior to Philadelphia's port and thereby compete with the Erie Canal. The word "main-line" designated the western suburbs served by the rail lines and later became synonymous with the sort of white Anglo-Saxon Protestants who lived there. Among the city's more successful products were the ice cream that William A. Breyer originally made in his home (1866) and John B. Stetson's cowboy hats (1865). Then there was John Wanamaker's department store, which was the first in the U.S. to use electricity and by 1900 became the largest in the world. America's most popular magazines—the Saturday Evening Post, the Country Gentleman, Jack and Jill, and Ladies' Home Journal—were edited in and distributed from Philadelphia.

Mr. Kahan includes these details but stresses a record of bad government and a pattern of racism. Republicans were to blame for much of the mismanagement. At the beginning of the 20th century, a Republican machine, which began after the Civil War, reached the peak of its power. At the top was Israel Durham from the city's Seventh Ward, briefly the principal owner of the Phillies baseball team. GOP operatives had ties to businesses in construction, trash collection, and gas and electrical utilities. But all Republicans depended on Boies Penrose, who controlled the statewide party apparatus.

Only in the 1950s did the Republican machine break. Richardson Dilworth and Joseph S. Clark Jr. defected from the party to run for mayor as Democrats; in 1951, Clark ran successfully. Democrats brought no relief, however. Frank Rizzo, known as "the toughest cop in America," in 1971 went from police commissioner to mayor. Five years later, his associations with police abuse and corruption prompted a recall attempt. One of his successors, Democrat Ed Rendell, in the 1990s pursued "neo-liberal" policies that brought federal funds to urban projects. Mr. Kahan complains that most of the city's beneficiaries were residents of the center city, office workers, tourists and shoppers in downtown Philadelphia.

Philadelphia was the birthplace not only of the founding documents but also William Breyer's ice cream and John Stetson's cowboy hats.

Through it all, black Americans suffered. Even the city's first African-American mayor, Wilson Goode, in 1985 oversaw the disastrous response to a back-to-nature, anti-American black collective called Move (originally Christian Movement for Life). The collective's refusal to comply with city regulations or respond to complaints from neighbors created a stalemate. Police thought their only choice was to drop explosive devices on the group's residence. The bombing ignited a fire that destroyed 61 homes. Mr. Kahan includes this and many other instances of the government's sometimes woeful treatment of blacks. Doing so supports his choice of racism as one of the book's two chief themes (the other is antiurbanism).

If readers seek relief from bad government and racial prejudice in accounts of historic preservation or professional sports, Mr. Kahan won't help. He writes that "the heavy focus on the colonial and revolutionary eras" in the development of historic sites "has frequently come at the expense of other periods." Meanwhile, the bonds cemented by rooting for a big city's sports franchises count for little in this history of Philadelphia. Although Mr. Kahan mentions the origins of both the Athletics and the Eagles, he slights the five championships by Connie Mack's baseball club and the Eagles' 2017 Super Bowl victory. By also ignoring the Phillies' World Series championships (1980 and 2008), Mr. Kahan leaves the impression that he is intentionally avoiding reasons for joy.

This narrative of Philadelphia follows the trend of professional historians who, whether inspired by activism or iconoclasm, feature the injustices and inequalities of U.S. history and little else. The same perspective applies to American cities and leaves readers with little from the past to celebrate or remember fondly. Natives of the city with roots in the Ben Franklin era will be tempted to conclude that W.C. Fields was not joking about staying too long in Philadelphia. For those with shallower roots in the city, they may well wonder what their parents and grandparents were thinking when they took up residence.

To be sure, patriots and nationalists can overdo American greatness. But for at least a century after the 1886 dedication of the Statue of Liberty, for instance—roughly the same time that historians with doctorates started to teach in universities—scholars and ordinary Americans agreed that living in the U.S. was a blessing. Even the immigrants who landed in Philadelphia were glad to call it home.

Mr. Hart teaches history at Hillsdale College and is the author of "Benjamin Franklin: Cultural Protestant."

Trump Sends Clowns to Confirmation Circus

By Karl Rove

It started so quickly and so promisingly.

President-elect Donald Trump began announcing his team Nov. 7 by naming America's first female White House chief of staff, Susie Wiles.

After a three-day break, Mr. Trump renewed staffing his administration the following Sunday by proposing an ambassador to the United Nations and a border czar.

The next day he announced his pick for Environmental Protection Agency administrator.

That Tuesday Mr. Trump revealed his choices for national security adviser, Central Intelligence Agency director, homeland security secretary, ambassador to Israel and co-chairmen of a new commission called the Department of Government Efficiency. Though his nomination that day of Fox News host Pete Hegseth for defense secretary raised questions, all these other picks were defensible. Overall, the president-elect was coming across as purposeful, focused and energetic.

Then came Wednesday. On Nov. 13, the future president picked for his attorney general Florida Rep. Matt Gaetz. It is a catastrophically bad selection.

The nomination can't be defended by referring to Mr. Gaetz's record as an attorney. He has barely practiced law. He has no prosecutorial experience except as a prosecution's target. And his law license was briefly suspended in 2021 be-

cause he stopped paying his bar-association dues.

Nor can the pick be justified because of his outstanding legislative record. He doesn't have one. To the degree he's known for doing anything on the House floor, it's reportedly for sharing the details of his latest female conquests.

Then of course, there's his turn on former Speaker Kevin McCarthy. Mr. Gaetz's behavior then makes appeals to party unity to confirm him now un-

He has mishandled his nominations, and not only by picking Gaetz, Hegseth and Gabbard.

persuasive. He led seven other House GOP renegades to ally with 208 Democrats to remove Mr. McCarthy over the objections of 210 fellow Republicans.

There's also the House Ethics Committee investigation into Mr. Gaetz for allegations that he used illicit drugs, paid to have sex with a minor and accepted improper gifts. Mr. Gaetz denies all these accusations. But his abrupt resignation from the House upon his nomination halted the committee's process, and it's unclear if it will release the report.

Rather than for any particular skill or competency, Mr. Gaetz was selected because he promised he would smite Mr. Trump's enemies within the Justice Department and hound

his opponents outside it. Vengeance is a powerful motive but not a sound foundation for public confidence in the nation's chief law-enforcement officer.

It's likely that the only way Mr. Gaetz can be approved is if Mr. Trump expends enormous political capital to browbeat Senate Republicans into backing him. But no president has infinite sway, no matter how remarkable his electoral victory. Second-term chief executives tend to have even less.

Mr. Trump now faces the likelihood of contentious hearings featuring sensational charges that will distract from the good things his administration does. And Mr. Gaetz's hearings won't be the only circus act in town.

The confirmation proceedings for Mr. Trump's director of national intelligence nominee, Tulsi Gabbard, and Mr. Hegseth could also be messy and full of bad press. His in particular could entail unpleasant surprises, given that the Trump transition team was reportedly blindsided after his nomination by the news that he had reached a settlement with a woman who accused him of sexual assault in 2017. Mr. Hegseth denies any wrongdoing.

The former president made one other mistake with his nominations. By revealing his early choices through posts on Truth Social, Mr. Trump missed opportunities to deliver powerful messages to the American people about what

he intends to do and why.

Imagine if he'd had a news conference rolling out secretary of state nominee Sen. Marco Rubio and national security adviser appointee Rep. Michael Waltz. He could have followed a day or two later with a public unveiling of border czar Tom Homan and his pick for Department of Homeland Security secretary, Gov. Kristi Noem. A day or so after that, he could have personally introduced Interior Secretary-designate Gov. Doug Burgum and Energy-Secretary-to-be Chris Wright to outline their plans to lower utility bills and the cost of gasoline.

These introductions could have let Americans hear what was important to Mr. Trump and learn more about the people he is putting in charge of key agencies. The campaign exploited social media brilliantly during the election. By contrast, the cabinet rollout seems pedestrian.

Inadequate vetting, impatience, disregard for qualifications and a thirst for revenge have created chaos and controversy for Mr. Trump before he's even in office. The price for all this will be missed opportunities to shore up popular support for the incoming president. But at least it'll make great TV.

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

a survey of nearly 4,000 restaurant employees in states considering changes to their tipped minimum wage laws. Ninety percent preferred the status quo—a lower base wage with higher tips—to a higher base wage with potentially lower tips.

Voters realize it would raise prices and put them out of work.

In Massachusetts, hundreds of tipped workers rallied against the initiative. They were joined by Democratic Gov. Maura Healey, who used to work as a server and expressed concerns that the change might close restaurants and put waiters out of work due to higher labor costs. The

minimum wage to \$18, according to the Public Policy Institute of California. By this September, the share had declined to 50%. In October, it fell further to 44%. No surprise, then, that the ballot measure appears set to fail with 51% opposition.

Alaska and Missouri passed ballot measures to raise their minimum wages from about \$12 to \$15. But in both states, the measures' proponents spent several million dollars, while their opponents spent little or nothing.

Absent these drastic funding imbalances, the lesson from Election Day is clear: Voters are waking up to the consequences of higher minimum wages.

Mr. Saltsman is executive director and Ms. Paxton research director of the Employment Policies Institute.

OPINION

REVIEW & OUTLOOK

Dick Durbin's Plan to 'Fix' Credit Cards

Dick Durbin has a knack for rehashing old mistakes, which is why he wants to stomp on the credit-card business. The Illinois Senator is pushing a bill in Congress's lame-duck session that would shift the cost of processing card transactions from retailers to consumers. If it passes, rewards programs could vanish as they did with debit cards.

The Credit Card Competition Act would require card issuers to let payments be processed on at least two networks, including at least one other than Visa or Mastercard. It exempts issuers with less than \$100 billion in assets, but more than 83% of cardholders would be covered by the new rule.

Mr. Durbin is using his last days as Judiciary Committee chairman to promote the bill, and at a hearing Tuesday he described it as a cure for inflation. "There is a hidden contributor to the high prices we all pay on everything from furniture to eggs: credit card swipe fees." The pitch is to reduce card networks' pricing power on behalf of squeezed consumers.

It's another Democratic attempt to pin inflation on supposedly greedy businesses. President Biden blamed oil companies, Vice President Harris named grocery stores, and both sought aggressive measures to counter alleged price gouging. Voters rejected that approach along with Ms. Harris. Yet there's no end of Democratic efforts to scapegoat business as an excuse for more political control over the private economy.

Mr. Durbin's credit-card plan would backfire on consumers. The networks charge retailers fees on card swipes and rebate a share of the revenue to the card issuers, which then direct some of the money into rewards programs to attract new customers. Retail giants like Home Depot and Kroger would love a race to the bottom in such fees because the bill redistributes

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income from cardholders to retailers.

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Credit-card regulation has a populist appeal to legislators who like to ignore economics. Mr. Durbin's latest effort has support from GOP Sen. Roger Marshall of Kansas. They want to brag to constituents about taking on the banks. Then they hope voters won't notice who's responsible when other fees rise and their rewards vanish.

The House Ethics Report on Matt Gaetz

The House Ethics Committee on Wednesday declined to release its report on alleged misconduct by former Rep. Matt Gaetz, but given the gravity of the accusations, this won't be the end of it. The Senate has every right to demand to see the report on Mr. Gaetz before confirming his nomination as President-elect Trump's next Attorney General.

Wednesday's meeting by the ethics committee was held in private, with reporters camped out for two hours outside, but the outcome was anticlimactic. Here was the terse statement afterward by Chairman Michael Guest, a Mississippi Republican: "There was no agreement by the committee to release the report." The top Democrat, Rep. Susan Wild, said there was "no consensus," but that the committee agreed to reconvene in two weeks.

For understandable reasons, the norm is that such ethics inquiries are closed quietly if lawmakers step down. But Mr. Gaetz abruptly quit Congress last week mere hours after Mr. Trump announced his nomination for AG. The committee was reportedly days from releasing its investigation. It's one thing to keep sordid details private when a lawmaker accused of misbehavior is chastened enough to resign and go back to private life. This looks more like an effort to dodge accountability by getting a promotion.

Some of the details that might be in the report are already getting out. A lawyer for two women who talked to the committee told ABC this week that Mr. Gaetz paid both of them for sex. One also

Senators might demand it before confirming him as Attorney General.

testified, the attorney said, that in 2017, "at this house party, she was walking out to the pool area, and she looked to her right, and she saw

Representative Gaetz having sex with her friend, who was 17." News reports say this corroborates an account from the then-minor.

Mr. Gaetz has denied wrongdoing, and he deserves due process like everyone else. The Justice Department investigated but didn't bring criminal charges. Mr. Trump is standing by him. "These are baseless allegations intended to derail the second Trump administration," a transition spokesman said. But an ethics inquiry isn't a witch hunt. It's the normal process when a lawmaker is accused of misconduct.

The Attorney General is the nation's highest law-enforcement official, responsible for making tough calls on federal cases, and ideally while looking credible doing it. The President is free to nominate whoever has his trust, but then the Senate's constitutional role in confirmation is to ensure that the AG's office is ultimately filled by someone who deserves the country's trust.

Even without the House report, the Senate could call the same witnesses to testify, as Sen. John Cornyn suggested this week. "In order to do our job, we need to get access to all the information," he said, "but also to protect the President against any surprises that might damage his administration." The Senate would be justified in sticking to that line, whatever the political pressures that Mr. Trump might bring to bear for a speedy Gaetz confirmation.

Jimmy Lai Stands Up for Freedom

At long last on Wednesday the world heard the voice of imprisoned newspaper owner Jimmy Lai—and his brave stand is making the communists in Beijing and their errand boys in Hong Kong nervous.

Since his arrest in 2020 on charges of foreign collusion and sedition, he has been pressured to plead guilty. But the 76-year-old Mr. Lai rightly says he has done nothing wrong, and he insisted on making his case in court in public. It's a demonstration of principle and personal courage that should inspire the free world.

Mr. Lai spoke when his trial resumed Wednesday after the prosecution had wrapped up its case in July. The government has good reason to be scared. Mr. Lai is an eloquent champion of freedom.

He showed that on the stand when he outlined what his journalism was all about. "The core values of Apple Daily are actually the core values of the people of Hong Kong . . . rule of law, freedom, pursuit of democracy, freedom of speech, freedom of religion, freedom of assembly," he said, according to a transcript of the trial translated from the Chinese.

The day before he took the stand, another Hong Kong court sentenced 45 pro-democracy advocates to a combined 245 years in prison for participating in an informal pro-democracy election primary. Their sentences ranged from a little over four years to 10 years for law professor Benny Tai, whom the government painted as the "mastermind" of the subversive "scheme." These people are as courageous as Mr. Lai but

Hong Kong tells Donald Trump to shut up about the jailed publisher.

not as well known outside Hong Kong. On Friday evening we published an editorial on the problems these prosecutions are creating for China. We noted that's especially true with a more hawkish administration moving into the White House and Donald Trump personally promising that he will get Chinese President Xi Jinping to let Mr. Lai out of prison. Over the weekend the Hong Kong government responded in a press release.

The release named neither The Wall Street Journal nor Mr. Trump. But it criticized remarks by foreign "politicians" and "the media." Those who raise Mr. Lai's case are guilty of a blatant act undermining the rule of law in Hong Kong." It's a clear slap at Mr. Trump, a warning to mind his own business.

Such words are likely to have the opposite effect. And international condemnation for Hong Kong's crackdown will increase as the world witnesses actions such as the arrest of Elsa Wu. Police descended on her outside the courtroom Tuesday after she held up a banner saying "Righteous people live, villains must die." Her son, Hendrick Lui, was one of the 45 sentenced to prison.

President-elect Trump is committed to freeing Mr. Lai. U.K. Prime Minister Keir Starmer also raised the mistreatment of Mr. Lai, a British citizen, this week with Mr. Xi during the G-20 summit in Brazil. Officials in Hong Kong and Beijing may stomp their feet, but until Mr. Lai and others are set free, the world is going to make it more difficult for business as usual with either.

OPINION

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OPINION

The DOGE Plan to Reform Government

By Elon Musk
And Vivek Ramaswamy

Our nation was founded on the basic idea that the people we elect run the government. That isn't how America functions today. Most legal edits aren't laws enacted by Congress but "rules and regulations" promulgated by unelected bureaucrats—tens of thousands of them each year. Most government enforcement decisions and discretionary expenditures aren't made by the democratically elected president or even his political appointees but by millions of unelected, unappointed civil servants within government agencies who view themselves as immune from firing thanks to civil-service protections.

This is antidemocratic and antithetical to the Founders' vision. It imposes massive direct and indirect costs on taxpayers. Thankfully, we have a historic opportunity to solve the problem. On Nov. 5, voters decisively elected Donald Trump with a mandate for sweeping change, and they deserve to get it.

President Trump has asked the two of us to lead a newly formed Department of Government Efficiency, or DOGE, to cut the federal government down to size. The entrenched and ever-growing bureaucracy represents an existential threat to our republic, and politicians have abetted it for too long. That's why we're doing things differently. We are entrepreneurs, not politicians. We will serve as outside volunteers, not federal officials or employees. Unlike government commissions or advisory committees, we won't just write reports or cut ribbons. We'll cut costs.

We are assisting the Trump transition team to identify and hire a lean team of small-government crusaders, including some of the sharpest technical and legal minds in America. This team will work in the new administration closely with the White House Office of Management and Budget. The two of us will advise DOGE at every step to pursue three major kinds of reform: regulatory rescissions, administrative reductions and cost savings. We will focus particularly on driving change through executive action based on existing legislation rather than by passing new laws. Our North Star for reform



DAVID GOTTHARD

will be the U.S. Constitution, with a focus on two critical Supreme Court rulings issued during President Biden's tenure.

In *West Virginia v. Environmental Protection Agency* (2022), the justices held that agencies can't impose regulations dealing with major economic or policy questions unless Congress specifically authorizes them to do so. In *Loper Bright v. Raimondo* (2024), the court overturned the *Chevron* doctrine and held that federal courts should no longer defer to federal agencies' interpretations of the law or their own rulemaking authority. Together, these cases suggest that a plethora of current federal regulations exceed the authority Congress has granted under the law.

Following the Supreme Court's guidance, we'll reverse a decadeslong executive power grab.

DOGE will work with legal experts embedded in government agencies, aided by advanced technology, to apply these rulings to federal regulations enacted by such agencies. DOGE will present this list of regulations to President Trump, who can, by executive action, immediately pause the enforcement of those regulations and initiate the process for review and rescission. This would liberate individuals and businesses from illicit regulations never passed by Congress and stimulate the U.S. economy.

When the president nullifies thousands of such regulations, critics will

allege executive overreach. In fact, it will be correcting the executive overreach of thousands of regulations promulgated by administrative fiat that were never authorized by Congress. The president owes lawmaking deference to Congress, not to bureaucrats deep within federal agencies. The use of executive orders to substitute for lawmaking by adding burdensome new rules is a constitutional affront, but the use of executive orders to roll back regulations that wrongly bypassed Congress is legitimate and necessary to comply with the Supreme Court's recent mandates. And after those regulations are fully rescinded, a future president couldn't simply flip the switch and revive them but would instead have to ask Congress to do so.

A drastic reduction in federal regulations provides sound industrial logic for mass head-count reductions across the federal bureaucracy. DOGE intends to work with embedded appointees in agencies to identify the minimum number of employees required at an agency for it to perform its constitutionally permissible and statutorily mandated functions. The number of federal employees to cut should be at least proportionate to the number of federal regulations that are nullified: Not only are fewer employees required to enforce fewer regulations, but the agency would produce fewer regulations once its scope of authority is properly limited. Employees whose positions are eliminated deserve to be treated with respect, and DOGE's goal is to help support their transition into the private sector. The president can use existing laws to give them incentives for early retirement and to

make voluntary severance payments to facilitate a graceful exit.

Conventional wisdom holds that statutory civil-service protections stop the president or even his political appointees from firing federal workers. The purpose of these protections is to protect employees from political retaliation. But the statute allows for "reductions in force" that don't target specific employees. The statute further empowers the president to "prescribe rules governing the competitive service." That power is broad. Previous presidents have used it to amend the civil service rules by executive order, and the Supreme Court has held—in *Franklin v. Massachusetts* (1992) and *Collins v. Yellen* (2021) that they weren't constrained by the Administrative Procedures Act when they did so. With this authority, Mr. Trump can implement any number of "rules governing the competitive service" that would curtail administrative overgrowth, from large-scale firings to relocation of federal agencies out of the Washington area. Requiring federal employees to come to the office five days a week would result in a wave of voluntary terminations that we welcome: If federal employees don't want to show up, American taxpayers shouldn't pay them for the Covid-era privilege of staying home.

Finally, we are focused on delivering cost savings for taxpayers. Skeptics question how much federal spending DOGE can tame through executive action alone. They point to the 1974 Impoundment Control Act, which stops the president from ceasing expenditures authorized by Congress. Mr. Trump has previously suggested this statute is unconstitutional, and we believe the current Supreme Court would likely side

with him on this question. But even without relying on that view, DOGE will help end federal overspending by taking aim at the \$500 billion plus in annual federal expenditures that are unauthorized by Congress or being used in ways that Congress never intended, from \$535 million a year to the Corporation for Public Broadcasting and \$1.5 billion for grants to international organizations to nearly \$300 million to progressive groups like Planned Parenthood.

The federal government's procurement process is also badly broken. Many federal contracts have gone unexamined for years. Large-scale audits conducted during a temporary suspension of payments would yield significant savings. The Pentagon recently failed its seventh consecutive audit, suggesting that the agency's leadership has little idea how its annual budget of more than \$800 billion is spent. Critics claim that we can't meaningfully close the federal deficit without taking aim at entitlement programs like Medicare and Medicaid, which require Congress to shrink. But this deflects attention from the sheer magnitude of waste, fraud and abuse that nearly all taxpayers wish to end—and that DOGE aims to address by identifying pinpoint executive actions that would result in immediate savings for taxpayers.

With a decisive electoral mandate and a 6-3 conservative majority on the Supreme Court, DOGE has a historic opportunity for structural reductions in the federal government. We are prepared for the onslaught from entrenched interests in Washington. We expect to prevail. Now is the moment for decisive action. Our top goal for DOGE is to eliminate the need for its existence by July 4, 2026—the expiration date we have set for our project. There is no better birthday gift to our nation on its 250th anniversary than to deliver a federal government that would make our Founders proud.

Mr. Musk is CEO of SpaceX and Tesla. Mr. Ramaswamy, a businessman, is author, most recently, of "Truths: The Future of America First" and was a candidate for the 2024 Republican presidential nomination. President-elect Trump has named them co-heads of the Department of Government Efficiency.

Shy Conservatives Keep the Left in Its Bubble

By John Masko

A couple of days after the election, a closeted Republican friend sent me a compendium of messages and social-media posts he had gathered from some of his left-of-center colleagues. They were utterly wild.

One insisted that while all of us needed space to "grieve," we had only a few months to prepare for "solidly authoritarian rule." Another was looking for open university positions overseas in her specialty, since she couldn't come to terms with living in a country "that hates so many of us," where "half of us are denied the highest leadership position purely because of our gender."

A Massachusetts resident asserted that "my rights as a woman are about to be compromised." A man sarcastically congratulated his fellow Americans for voting for four more years of "fascist ideology," "blatant misogyny and racism," "toxic masculinity" and "spiritual bankruptcy." A woman wrote late on election eve that while she didn't exactly want to die, "it's just that I don't care if I don't wake up" on Nov. 6.

Nonleftists wonder if fears such as these are sincerely held or merely performative. After all, while one could have plenty of reasonable doubts about a second Trump administration, the fear that we are in for a resurgence of fascist authoritarianism, that America voted against Kamala Harris because it couldn't countenance a female president rather than due to her singular weaknesses as a candidate, and that Massachusetts is going to restrict abortion aren't among them.

Yet as unrealistic as these fears are, they seem to reflect the sincere

beliefs of at least some otherwise reasonable people. How can that be?

Right-leaning commentators regularly zero in on one key reason: the echo chamber of the media and the Democratic Party. The Harris campaign parlayed Donald Trump's quips about being "a dictator on day one"—i.e., issuing lots of executive orders, as other new presidents have also done—into alarms about the return of fascism. Mainstream journalists insisted that Mr. Trump must have intended to echo a pro-Nazi gathering in 1939 when he chose Madison Square Garden, site of the 1992 Democratic National Convention, for a rally. Oprah Winfrey suggested that if Americans didn't elect Kamala Harris president, they may lose the right to vote.

But there is another reason, one that conservatives are far less likely to mention, since it implicates them. One thing the election results proved beyond a doubt is that Amer-

icans with conservative views are everywhere—in every city, every state and every demographic group, far more than we knew. But the shock of the election results demonstrated how many Americans are willing to vote their values at the

Otherwise reasonable people believe crazy things because nobody dares challenge them.

ballot box even as they remain unwilling to explain that vote even to a pollster, much less to a friend. Particularly inside elite government, business and academic enclaves, where the darkest fears about Mr. Trump have been incubated, Americans with right-of-center views tend to keep those views to themselves.

It's easy enough to understand why. In recent decades, and particularly since 2020, the numerous examples of careers ended by touching one of our nation's constantly moving political tripwires have led many to believe they need to choose between sincerity and friendships, between advancing their values and supporting their family, between an opinion and a job.

The electric fence of cancel culture creates a tendency toward self-censorship among the (real or perceived) minority, which leads those who belong to the dominant culture to assume that no reasonable person holds views different from their own. After all (so they think), they don't know anyone who does.

All this came to mind when I read those hysterical social-media messages. I think of how much these genuinely frightened friends and colleagues could benefit from knowing

that there are people they like, people they trust, who have a different take on things, who might be able to reassure their friends and neighbors that their fears are unrealistic and exaggerated—that the country will still exist in four years and it will still be the United States of America.

For those who are shy about dissenting, I understand the risk you would assume by speaking, even to close friends from whom you've hidden your true beliefs. But I believe you should do it anyway. I think that cancel culture is receding and that you'll find the water warmer than you expect, but I can't guarantee that. What I know for sure is that for as long as America remains a self-censoring society, it will also remain an extreme, polarized and deeply unhealthy one. All of us have a part to play in repairing it.

Mr. Masko is a freelance writer based in Boston.

America's Approach to Its Allies Is Backward

By Jakub Grygiel

disequilibrium, then it's in America's interest to back our allies and let them take the necessary risks to restore stability.

Restrain them in peace; unleash them in war.

We often do the opposite—we unleash them when at peace and we restrain them when they are attacked—with dire consequences.

Take the 2011 war in Libya. France, a U.S. ally, began a war there with little thought of how to conduct or finish it. The French knew the U.S. likely would step in, as it eventually did, to supply fuel, munitions and ultimately its own forces to defeat the perceived enemy. The result was Moammar Gadhafi's fall, Libya's descent into chaos, and continued regional instability, which opened the floodgates of illegal immigration to Italy and across Europe. Instead of praising an overly ambitious Paris (recall Hillary Clinton's quip that "we came, we saw, he died" on the news of Gadhafi's death), Washington should have restrained France early on, as the geopolitical status quo was preferable to the post-Gadhafi chaos.

But it is different when the situation is already in shambles. Today, Europe's eastern frontier and the Middle East are on fire because of wars begun by Russia and by Iran and its proxies. China is watching, eager to reap benefits on the Pacific, but it is also getting involved, if only with its own North Korean proxies

on Ukraine's front. Around 10,000 North Korean troops have already been deployed alongside Russian forces. In the Middle East, Iranian proxies have escalated dramatically, with Hamas's attack on Israel last year, the Houthis targeting shipping vital to global trade, and Iran striking Israel with the largest single ballistic missile attack in history.

The Biden-Harris approach to this mayhem has been to constrain our allies' defensive responses in the name of "escalation management." Visiting Tel Aviv last month before Israel's retaliatory attack on Iran, Secretary of State Antony Blinken said it was "very important that Israel respond in ways that do not create greater escalation and do not risk spreading the conflict." Following the same logic, until a few days ago the Biden-Harris administration refused to allow Ukraine to strike targets on Russian territory using U.S.-provided weapons.

Restraining U.S. allies and partners when they're responding to the aggression of our common enemies is ineffective and counterproductive. Equilibrium won't be restored unless the aggressor is pushed back to the status quo ante. By telling our allies (Israel) and friends (Ukraine) under attack to limit their responses and not to strike too hard at the enemy, a new equilibrium may be achieved, but it will be more beneficial to the attacker, encouraging further aggression and war.

A policy of restraining allies in war is akin to a fiscal policy of money tightening during recession. The effect may be financial savings in the short term, but an economic and political disaster for a long while.

So far, Israel has been successful in destroying Hamas and decapitating Hezbollah because it has ignored the Biden-Harris calls not to strike too hard and to negotiate with the two groups. Ukraine is suffering unduly from Russian attacks on its infrastructure because the Biden-Harris administration for too long had imposed limits on where it can strike in response. Israel chose not to be constrained by Washington and is succeeding. Ukraine had no choice but to respect Western bans on using weapons provided to it. Now that some restrictions have been lifted, it may be too late to alter the conditions on the front line and certainly to undo the devastation wrought by Russia on Ukraine's economy and energy infrastructure.

This is a poor use of the best geopolitical asset we have: our allies. When the frontier is on fire, Washington should unleash our allies that want to defend themselves and thus restore a beneficial equilibrium in their regions.

Mr. Grygiel is a professor of politics at the Catholic University of America and a visiting fellow at the Hoover Institution.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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By EVERNORTH

BUSINESS & FINANCE

THE WALL STREET JOURNAL.

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Target Posts Disappointing Results

Retailer's stock falls 21% amid sluggish spending for apparel, home goods

By SARAH NASSAUER

Target posted disappointing quarterly results and lowered its profit and sales goals for the year, causing its stock price to sink 21% Wednesday.

Profit shrank and sales were flat in the latest quarter. The results stood in contrast to discount chains such as Walmart and Costco, which reported strong consumer demand and increased revenue for the period.

Just a few months after raising their financial targets, Target executives reversed course and lowered them heading into the critical holiday selling season.

Target has been pushing its own private-label brands and cutting prices on everyday goods, but the formula hasn't worked.

The company's sales have been shrinking or flat for



Price cuts helped draw in more shoppers, but they also spent less in stores and online.

much of the past two years, and executives have been promising better results.

"There's some macro short-term headwinds that we've got to embrace and understand," said Target Chief Executive Brian Cornell. But, he

said, "we know over time those trends will reverse."

Comparable sales—results from stores and digital channels operating at least 12 months—rose 0.3% in the three months ended Nov. 2. That is at the low end of Tar-

get's previous estimate of sales between 0% and 2% and below analysts' expectations of 1.5%, according to FactSet.

Price cuts helped draw in more shoppers, but they also spent less in stores and online, executives said. In con-

sumer surveys, "the No. 1 thing we hear is the importance of value and affordability," said Rick Gomez, Target's chief commercial officer.

Shoppers continue to spend less on nonessential purchases, such as apparel, home goods and televisions, said executives. "Overall, we are still seeing a consumer shop very cautiously in discretionary categories, and we are planning accordingly," said Cor-

nell.

Target reported adjusted earnings of \$1.85 a share, lower than Wall Street's expectation of \$2.30 and below its own forecast for the quarter. Profit fell more than expected in the quarter in part because of costs related to importing more products than usual ahead of what became a short-lived October port strike.

"That came at a cost," said Michael Fiddelke, Target's chief financial officer. "It meant we were fuller a little

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Ford Set To Slash 4,000 Jobs in Europe

By DOMINIC CHOPPING

Ford plans to cut 4,000 jobs in Europe, becoming the latest carmaker to seek deep cost savings as it grapples with timid demand for electric vehicles and rising competition.

The U.S. auto giant said the planned cuts would be implemented by 2027, with sites in Germany and the U.K. the most affected. The move would reduce Ford's European workforce by about 14%, affecting around 2,900 jobs in Germany and 800 roles in the U.K., pending talks with workers representatives, it said.

Rivals **Stellantis**, **General Motors** and **Nissan** have all recently outlined plans to cut jobs as the industry struggles with a stuttering transition to electric vehicles, an uncertain economic and trade outlook, and increasing competition from cheaper Chinese rivals.

Ford's plan deals a further blow to Germany's manufacturing industry, which is currently facing the threat of thousands of job cuts and plant closures from Volkswagen. The German company is in talks with union and workers groups over plans to close some plants.

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Miners Turn to Junk to Feed Copper Demand

By RYAN DEZEMBER

ROUYN-NORANDA, Quebec—One of the world's largest miners is digging into America's junk drawers, old phones and landfills. The quarry: bits of copper to meet the needs of the energy transition and data boom.

Shredded cellphones, obsolete computer cables and chewed-up cars are heaped 30 feet high outside Glencore's 97-year-old copper smelter deep in Canada's sparsely populated boreal forest. There, the scrap is melted with copper concentrate from mines to produce fresh slabs of metal.

Old electronics have long augmented the smelter's input. But these days Glencore and other copper producers are casting wider nets for scrap and spending big to boost recycling capacity.

Shifting from fossil fuels to more renewable electricity promises to remake commodity markets. If America requires less crude oil and coal, it will in turn need a lot more lithium for electric-vehicle batteries, precisely shaped pine trees for bigger utility poles—and copper for everything electric. "In the next 25 years we will consume more copper than humanity has consumed until now," said Kunal Sinha, Glencore's global head of recycling. "That's the scale of the challenge."

Copper consumption surged in recent decades as China modernized. Demand got another boost from 2022's climate and tax law, which promotes renewable energy development in the U.S. The data centers being built to facilitate artificial intelligence and store smartphone videos are full of copper. So are the phones.

Glencore estimates that

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Induction furnace at Glencore Recycling, top; eWaste before it goes into the primary shredder.

Average copper mine development times	
Zambia	34 years
U.S.	29
Canada	27
Indonesia	24
Chile	22
Australia	20
China	19
Russia	16
Democratic Republic of the Congo	15

Sources: S&P Global (mine development); FactSet (futures price)



Pfizer Names New R&D Chief

By JARED S. HOPKINS

Pfizer elevated the executive in charge of its cancer-drugs business to oversee all of the drugmaker's research and development, a crucial move at a pivotal time for the struggling company.

Company veteran Chris Booshoff, who has led Pfizer's cancer research and marketing for more than a year, will become chief scientific officer starting Jan. 1, the giant drugmaker said.

Wall Street, which has sent Pfizer shares down, had been closely watching who would be the choice for the important position deciding which diseases to invest in and finding new medicines targeting them. The R&D chief plays a key role in identifying and developing the next big sources of revenue.

Share-price and index performance, year to date



Pfizer has been under pressure from shareholders, including an activist, to deliver strong new sales growth since missing forecasts for its once-

booming Covid-19 vaccine and drug.

Booshoff, 61 years old, is an accomplished cancer researcher—his nickname is Onocopia—and is known as an effective manager with strong people skills. Recently he has overseen the integration of cancer biotech Seagen, which Pfizer acquired last year for \$43 billion.

His ascent comes as Pfizer struggles to escape its post-pandemic slump and faces calls from activist investor **Starboard Value** to turn around performance. The hedge fund recently took a roughly \$1 billion stake in the company.

Pfizer, with a market capitalization of \$142 billion, has seen its shares more than halved from a record in late 2021 after the company delivered its Covid-19 vaccine.

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Chinese automaker NIO's net loss widened amid an EV price war. B4

Unusual Power of VW's Union Boss Faces Test

By STEPHEN WILMOT

To hear **Volkswagen** union boss Daniela Cavallo tell it, the standard rules of capitalism shouldn't apply to the world's second-largest carmaker.

"Volkswagen is no normal company," she said in a September speech to thousands of workers.

Labor is unusually powerful at VW. Cavallo's explanation was historical: In the 1930s, the Nazis used union money to build the company's first factory in Wolfsburg, northern Germany. "Volkswagen doesn't just belong to shareholders. Volkswagen also belongs to us, the workforce," Cavallo said.

The 49-year-old has shot to prominence in recent weeks for her central role in negotiations

over what could be a wide-reaching overhaul of the car company. VW has proposed wage cuts and raised the specter of factory closures in Germany for the first time in the company's history as it battles a host of troubles.

Cavallo, who as head of VW's works council represents more than 680,000 employees and has a seat on the company's board, has vowed to fight plans for a major restructuring.

Tensions are set to rise further this week with another round of wage talks. The works council didn't make Cavallo available for this article.

By her own admission, Cavallo is an unlikely leader at an abnormal company. The diminutive daughter of Italian "guest

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Ford to Cut 4,000 Jobs In Europe

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mestic factories, downsize its remaining plants and lay off tens of thousands of staff as part of a cost-cutting drive.

Labor costs in Germany are the highest in Europe, according to an analysis by the German Association of the Automotive Industry, while energy costs in the country have risen since it lost access to cheap Russian gas as a result of the war in Ukraine.

Ford said on Wednesday that the health of its passenger-vehicle business in Europe was a particular concern. The company has in recent years incurred significant losses in this area, with the shift to electrified vehicles being highly disruptive.

A mismatch between carbon-dioxide regulations and consumer demand for electrified vehicles in Europe is adding pressure to an already fraught situation, Ford said.

"What we lack in Europe and Germany is an unmistakable, clear policy agenda to ad-

vance e-mobility, such as public investments in charging infrastructure, meaningful incentives to help consumers make the shift to electrified vehicles, improving cost competitiveness for manufacturers, and greater flexibility in meeting CO₂ compliance targets," Ford's Chief Financial Officer John Lawler recently wrote in a letter to the German government.

Lower-than-expected demand for electric cars means the company will also adjust its production program for its new Explorer and Capri models, Ford said. This would lead to a reduction in work at its Cologne plant in the first quarter of 2025.

The latest cuts will come on top of the 3,800 European layoffs the company announced early last year as it began to resize its workforce amid a global push to invest in the development of electric vehicles.

Most of those cuts were also centered on the U.K. and Germany, with the company saying it planned to end production of vehicles at its plant in Saarlouis, Germany, in 2025.

"It is critical to take difficult but decisive action to ensure Ford's future competitiveness in Europe," Dave Johnston, Ford's European vice president for transformation and partnerships, said on Wednesday.

Continued from page B1

workers"—immigrants invited to fill labor shortages during Germany's postwar "economic miracle"—Cavallo only received German citizenship in 2021. In the male-dominated, doctorate-driven German business world, she didn't study at college, instead pursuing a professional training program at VW. VW, though, is the family business: Her father worked there and now she does, alongside her husband and two sisters.

Large German companies are typically governed by supervisory boards split equally between representatives of workers and shareholders. These factions are jointly responsible for appointing the chief executive and other top managers, though the chairperson comes from the shareholder side and has a casting vote.

Labor's influence at VW is further enhanced by public ownership. The state of Lower Saxony owns just over 20% of the company's voting stock, and typically sides with workers. A special "VW law" requires a four-fifths majority vote for important shareholder resolutions, giving politicians a blocking mi-

nority. Now the power of workers is being put to its toughest test in decades. The company is asking workers to help shoulder the pain amid a bumpy transition to electric vehicles, a shrunken home market in Europe and rising competition from lower-cost Chinese EVs.

VW has said significant changes are needed to boost the competitiveness of its core European operation, which it says has roughly two factories' worth of excess production capacity.

In response, Cavallo has taken a more combative tone. She is set to address workers at Wolfsburg's soccer stadium on Thursday before joining a third day of formal wage talks.

Cavallo is no stranger to tricky negotiations, having worked for VW's union body for almost 20 years before assuming its leadership in May 2021. She was a crucial negotiator in the "pact for the future" after VW's 2015 diesel scandal, when the company started to invest heavily in electric vehicles and made an early plan to reshape its labor force that included 23,000 job losses in Germany.

Cavallo's predecessor, Bernd Osterloh, fully embraced his role in helping to run VW, earning the nickname the "King of Wolfsburg" during his 15 years

running the union body.

When Cavallo succeeded Osterloh, observers saw a new approach. She was a "smart cat" to Osterloh's "barking dog," according to someone with insight into Wolfsburg's inner workings.

A less assuming style seemed a good match for Oliver Blume, who became chief executive in 2022. Both are VW lifers who at first appeared to favor quiet consensus-building over noisy disagreement.

Cavallo last year agreed to a wide-ranging cost-saving program. But the mood soured after management said the business needed bigger cuts to withstand a deteriorating market.

VW's net profit is forecast to fall

by more than one-third this year. Cavallo has argued that savings need to be found by cutting corporate duplication and bureaucracy instead of jobs and factories. Members of her team, which numbers a few dozen staff, are working with the wider union on an alternative cost-saving plan. One idea announced Wednesday would see workers forgo pay increases and bonuses in exchange for job security.

The tough industry backdrop might give Blume a stronger hand in the negotiations than when former CEO Herbert Diess

pushed for job cuts three years ago. Cavallo shot down that move and withdrew union support for Diess on the board, helping to trigger his eventual ouster the following year.

VW's management hasn't yet published detailed restructuring plans, beyond calling for a 10% general salary cut and other pay-related measures as part of the continuing wage negotiations. How far the company can go depends in part on Lower Saxony. So far, Minister-President Stephan Weil, who leads the state shareholding, hasn't come down clearly on Cavallo's side.

"At the end of the day, a company needs to be competitive," he told a German talk show last month, underlining how some capitalist norms do apply to VW.

Union power at VW also rests on the same foundation as any other big industrial company: the threat of strikes.

Workers downed tools this month at a small factory. Most of the company's German plants are governed by a labor agreement that bars strikes before the end of November.

Cavallo has dangled the possibility of a walkout. "It is always the same at VW: When we stand together as a workforce...then we are not just strong but unbeatable," she told thousands of workers in a speech in Wolfsburg last month.

"I can only warn all board members and everyone at the top of the company: Don't mess with us."



Producers are scavenging old electronics for copper. A Glencore recycling facility in Rhode Island.

TONY LUONG FOR WSJ

Continued from page B1

global copper supply must grow by about one million metric tons a year through 2050. That would require annually adding the equivalent of the world's largest mine, Chile's Escondida.

Scrap value

Even if such rich deposits are found, it can take decades to bring mines online. That prevents miners from responding quickly to new demand, which leaves scrap to balance the market, said Citigroup metals strategist Tom Mulqueen.

Unlike commodities such as oil or corn, copper never goes away and is infinitely recyclable. Miles worth are stored through homes and cars and along rights of way, carrying electricity and drinking water. But a lot sits in junk yards and landfills. When prices rise, there is more incentive to get it. Copper prices are currently among the highest ever. "Scrap is really determining, in some respects, what price level you'll get to," Mulqueen said. "What price level will you need to get to above today to incentivize sufficient scrap recovery?"

Demand forecasts could be derailed by economic weakness in China, a manufacturing slump or a stall in the energy transition.

The day after Donald Trump was elected, traders considered his campaign promises to escalate trade tensions with China and roll back clean-energy incentives. Futures fell more than 5% in New York that day and are down about 19% from the record reached in late May.

Citi's base case is for prices to notch new records by the middle of next year, though

Mulqueen said that forecast is at greater risk since Trump's election and Chinese economic

recovery.

Glencore acquired the Horne Smelter in Quebec in its 2013 merger with Xstrata. Copper was first recycled there when shell casings were melted down after World War II. Electronics recycling was pioneered there in the 1980s after the local mine ran out.

Previous owners established

a San Jose, Calif., collection facility for old computers and another in Rhode Island to receive

sample for copper and precious

metal content, and price materials such as circuit boards, factory-floor choppings and even

old silverware. Glencore re-

cently bought a failed elec-

tronics recycling facility in Arkans-

s and will use it, too, to gather

scrap, Sinha said.

starting to excavate landfills

packed with fluff to get the copper that wasn't worth the trouble for earlier scrappers. In trials, Glencore found that the concentration of copper in landfilled auto fluff can be more than twice that found in geologic mines.

The scrap piled up in Quebec

is shredded further and fed into

the smelter, where tempera-

tures reach 1,200 degrees Cel-

sium. Scrap usually makes up

about 15% of the input, Sinha

said. The smelter's chief metal-

urgist blends it with concen-

trate from mines, accounting

for plastic and other materials

that affect the process's heat

and chemistry.

"We can change this recipe

as long as we can still chemi-

cally balance it," Sinha said.

"We can feed more recycling

and we can feed more of one

type of recyclable material if

that's better for us to buy."

Eventually, 750-pound an-

odes are formed by pouring

molten metal into a revolv-

ing casting wheel. The red-hot

slabs are hung to cool, then hauled

400 miles to Glencore's Mon-

tréal refinery. There, they are

melted anew to remove and

collect the remaining traces of

other metals: platinum, palli-

dium, silver and gold.

BUSINESS & FINANCE



FOCKE STRANGMANN/GAFFETT IMAGES

Union Boss At VW Faces Test

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workers"—immigrants invited to fill labor shortages during Germany's postwar "economic miracle"—Cavallo only received German citizenship in 2021. In the male-dominated, doctorate-driven German business world, she didn't study at college, instead pursuing a professional training program at VW. VW, though, is the family business: Her father worked there and now she does, alongside her husband and two sisters.

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Boeing CEO Blasts Waste and Infighting

Executive calls out cultural woes, warns of cash running low in all-hands meeting

By SHARON TERLEP

Boeing Chief Executive Kelly Orberg told employees the once-mighty manufacturer has serious culture problems and can't afford another mistake.

Orberg, who took over in August, offered a blunt assessment of the troubled aircraft maker's situation in an hour-long, companywide meeting on Wednesday. He called out bloated management ranks, wasteful spending and a culture of infighting and shirking responsibility.

"We spend more time arguing amongst ourselves than thinking about how we're go-

ing to beat Airbus," Orberg said at an all-hands meeting, according to a recording reviewed by The Wall Street Journal. "Everybody is tired of the drumbeat of what's wrong with Boeing. I'm tired of it and I haven't been here that long."

The company, Orberg said, is burning through billions of dollars and can't tap investors for another rescue. The company recently sold \$24 billion of new shares to bolster its cash reserves. Some research-and-development spending could be delayed, the CEO said.

He said Boeing won't turn cash-flow positive until it ramps up 737 production to the 38-per-month target it initially aimed to hit by the end of 2023. And he said the company simply lacks the money to launch a new plane pro-



CEO Kelly Orberg offered a blunt view of the troubled company's situation in an hourlong meeting on Wednesday.

gram but that it doesn't immediately need one.

Boeing is still dealing with

tories to a halt. Orberg said he laid off thousands of staff to rein in Boeing's bureaucracy and reflect its business realities.

Orberg also told employees that he spoke with President-elect Donald Trump recently and that the two discussed the impact of potential tariffs. Boeing is one of the country's biggest exporters.

The Boeing chief warned employees that any trade war with China would weigh on the company, given that it sells jets to Chinese airlines while the U.S. doesn't import any aircraft from the country.

"Boeing has faced many highs and lows," said Orberg, speaking from the company's Seattle delivery center. "We're at a low here, folks."

"We have an opportunity today to come racing out of where we are and to really im-

prove," he added.

To address Boeing's culture, Orberg said the company would overhaul the employee incentive program. He said a system that rewards employees differently across units is ineffective and that incentives should be uniform across the company.

The former CEO of aerospace supplier Rockwell Collins took over Boeing as the company faced a raft of problems. A door panel blew off a 737 midflight in January, and its Starliner space capsule stranded two astronauts recently. Workers have portrayed a management culture that dismissed quality and safety concerns and focused on speeding up production.

"Don't sit at the water cooler and bitch about people," Orberg said. "Let's focus on the task at hand."

New Funding Brings Value of Musk's xAI Up to \$50 Billion

By BERBER JIN, TOM DOTAN AND MEGHAN BOBROWSKY

Elon Musk's artificial intelligence startup, xAI, has told investors it raised \$5 billion in a funding round valuing it at \$50 billion—more than twice what it was valued at several months ago.

Qatar's sovereign-wealth fund, Qatar Investment Authority, and investment firms **Valor Equity Partners**, **Sequoia Capital** and **Andreesen Horowitz** are expected to participate in the round, according to people familiar with the matter. The financing brings the total amount xAI has raised to \$11 billion this year.

xAI was previously raising funds at a \$40 billion valuation, before factoring in the new cash, The Wall Street Journal reported. Over the past few weeks, xAI raised that figure by \$5 billion in negotiations with investors. The infusion of new cash brings its total post-investment value to \$50 billion. xAI was valued at \$24 billion when it raised \$6 billion in the spring.

Investor interest in Musk's businesses, including xAI and SpaceX, have increased since Donald Trump won the presidential election. Musk spent hundreds of millions of dollars to boost Trump's campaign and led rallies on behalf of the Republican. He has worked on the early stages of Trump's transition back to the White House and is co-leading an effort to cut government spending.

Tesla's stock is up about 36% from its close on Election Day through Wednesday.

In late October, the same time he was stumping for Trump in Pennsylvania, Musk spoke at an xAI investor call, some of the people familiar with the matter said.

xAI, which launched in July of last year, plans to use the new cash in part to finance the purchase of 100,000 additional **Nvidia** chips for training AI models.

The startup recently told investors its revenue has reached \$100 million on an annualized basis.

xAI's primary product is its Grok chatbot, available to premium subscribers of Musk's social network X. The company also recently made Grok available to business customers.

Grok launched in November 2023, making it late to a race with competitors including OpenAI, **Alphabet's** Google and Anthropic. xAI spent this past summer constructing a new data center in Memphis, Tenn., that houses 100,000 Nvidia chips for building its AI models.

Musk has said the Memphis data center contains the most powerful AI cluster in the world and that he is planning to double its size.

Musk is particularly focused on beating OpenAI, the ChatGPT creator he co-founded in 2015. He has sued the startup and its chief executive Sam Altman for alleged fraud and antitrust violations, claims OpenAI has called baseless.

OpenAI was valued at \$157 billion in its most recent funding round, which closed in October.

AI startups must frequently raise money because of the escalating costs of developing their technology and intense competition in the industry, where they also face profitable tech giants such as Google and **Meta Platforms**.

xAI is set to debut the third version of its Grok language model in December. Musk has said it would be "the world's most powerful AI by every metric."

Williams-Sonoma Net Rises, Sending Shares to a Record

By DENNY JACOB

Williams-Sonoma posted higher-than-expected quarterly earnings and boosted its outlook for the year ahead of the critical holiday shopping season, elevating shares of the home-products retailer to a record.

The stock rose 28% to \$175.04 a share. The company's market value has now nearly doubled over the past 52 weeks.

The San Francisco company on Wednesday reported third-quarter net earnings of about \$249 million, or \$1.96 a share, up from \$237.3 million, or \$1.83 a share, a year earlier. Stripping out one-time items, earnings also came in at \$1.96 a share, above the average forecast for \$1.77 from analysts polled by FactSet.

Revenue edged down to \$1.8 billion from \$1.85 billion, but still beat analysts' forecast for \$1.78 billion.

"The quarter was driven by continued improvement in our

sales trend, market-share gains, and strong profit," Chief Executive Laura Alber said. "The fourth quarter is the time of year when we shine. And, therefore, we are raising our full-year guidance."

Williams-Sonoma adjusted its outlook for 2024, citing higher revenue trends and expectations for operating margin. It now expects revenue to decline between 1.5% and 3% compared with prior forecast for a decline of 1.5% to 4%. The company now expects operating margins between 18.4% and 18.8% versus prior guidance in the range of 18% and 18.4%.

On a conference call with analysts, Chief Financial Officer Jeff Howie said merchandise margins in the third quarter were better than expected because of a drive to cut input costs and a focus on full-price selling.

Alber added that efforts to reduce promotions over the years have given customers certainty that the prices they see won't change in the near future.

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NIO's Loss Widens Amid EV Price War

Many Chinese carmakers are using aggressive pricing to gain market share

By JIAHUI HUANG

NIO's net loss widened in the third quarter as revenue fell, dragged down by lower selling prices amid an intense price war in China's electric-vehicle market.

The Shanghai-based automaker on Wednesday reported a net loss of 5.14 billion yuan, equivalent to \$710 million, widening from 4.63 billion yuan a year earlier. Revenue declined 2.1% to 18.67 billion yuan.

The results missed the consensus estimates of a 4.75 billion-yuan loss on revenue of 19.14 billion yuan, according to a Visible Alpha poll.

The company's gross margin rose to 10.7% in the third quarter from 8% a year ago. Vehicle margins climbed to 13.1% from 11%. NIO attributed the improvement to lower material cost per unit despite a decline in average selling prices due to changes in the product mix.

By comparison, EV rivals



Nio earlier this month reported slightly lower sales in October compared with September.

XPeng and **Li Auto** reported

revenue beat in the third quarter, thanks to its new models and advanced self-driving technology.

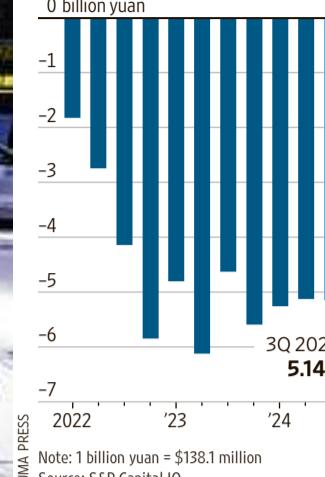
Many Chinese automakers have resorted to aggressive price cuts this year to gain market share, boosting sales volume but hurting top and bottom lines for some.

Fellow EV maker XPeng on Tuesday reported a slight

month in which most Chinese EV makers reported robust growth on overall strong demand in the auto market.

The soft October sales also came despite the company launching its first model under the Onvo subbrand in late September with a lower-than-expected price tag that analysts said could drive demand. Its weaker-than-expected results

NIO quarterly net losses



Note: 1 billion yuan = \$138.1 million

Source: S&P Capital IQ

for the third quarter, pressured by lower car prices, may raise questions about its path to profitability.

For the fourth quarter, the EV maker guided for vehicle deliveries of between 72,000 units and 75,000 units, up 44% to 50% from a year earlier. It expects revenue to rise 15% to 19%, reaching between 19.68 billion yuan and 20.38 billion yuan.

NIO's American depositary receipts edged up 0.4% Wednesday following the results.

Advertising Boosts Chinese Video-App Operator

By SHERRY QIN

Kuaishou Technology reported in-line results on advertising strength, even as it continued to face challenges in its e-commerce business amid China's soft consumption and intense industry competition.

The Beijing-based short-video app operator said Wednesday that third-quarter net profit jumped 50% to 3.27 billion yuan, equivalent to \$451.7 million. The result slightly topped expectations of 3.21 billion yuan in a FactSet poll of analysts.

Adjusting for share-based compensation expenses and net fair-value changes on investments, net profit rose about 24%. The short-video app rivals Douyin, TikTok's sister app in China, but competition is intensifying as **Tencent**'s video accounts, embedded in its WeChat superapp, gain traction.

Kuaishou's quarterly revenue climbed 11% to 31.13 billion yuan, a tad better than analysts' expectations of 31.07 billion yuan. Its average daily active users rose to 407.5 million in the third quarter from 386.6 million a year earlier.

Sales from online marketing services rose 20%, driven by Kuaishou's optimization of content placement and algorithms. Revenue from the livestreaming segment continued to fall, but at a slower pace, thanks to more content offered and ecosystem improvements.

The company's e-commerce gross merchandise value, a measure of total goods sold, rose 15%, stabilizing at that level after coming in below 20% for the first time in the second quarter due to weak consumer sentiment and fierce competition.

STMicroelectronics Slows Its Outlook for Sales

By MAURO ORRU

and 2027.

Meanwhile, STMicroelectronics expects a gross margin of about 44% to 46% in 2027 and 2028, growing to roughly 50% by 2030. The group had previously forecast a gross margin of more than about 50% between 2025 and 2027.

The revisions come as the semiconductor industry grapples with bumpy orders. Demand for chips to power artificial intelligence in data centers is booming, but orders for chips in electric vehicles, industrial machinery and some personal electronics

have been weak in recent months.

Carmakers and other device manufacturers are still working through piles of chips that they procured during the pandemic, meaning they don't need to place significant orders now.

Meanwhile, automakers are battling competition from local rivals in China and a challenging electric-vehicle market. Several carmakers have cut their guidance this year to factor in slowing sales, further damping demand for the chips that power their vehicles.

STMicroelectronics is par-

ticularly exposed to the auto industry since it counts Elon Musk's **Tesla**, **Hyundai Motor**, German parts supplier **Continental** and Israel's **Mobileye** among its customers, according to the company's 2023 report.

The group last month downgraded its annual guidance for the third time to reflect sluggish demand after net profit and sales slumped in the third quarter. STMicroelectronics is forecasting revenue of about \$13.27 billion this year and a gross margin slightly below 40%.

The company expects an

adjusted operating margin of about 22% to 24% in 2027 and 2028 that should grow to more than 30% by the end of the decade. It previously forecast that growth between 2025 and 2027.

Meanwhile, its free cash flow margin excluding one-offs should reach around 20% in 2027 and 2028 and grow to more than 25% by 2030, also later than originally planned.

The new targets for 2027 and 2028 are ahead of market expectations even though the company postponed some goals to 2030, Citi analysts wrote in a note to clients.

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BUSINESS NEWS

Credits to Save Forests Stir Debate

Watchdog approves an offset method, but critics say it isn't stringent enough

By H. CLAIRE BROWN

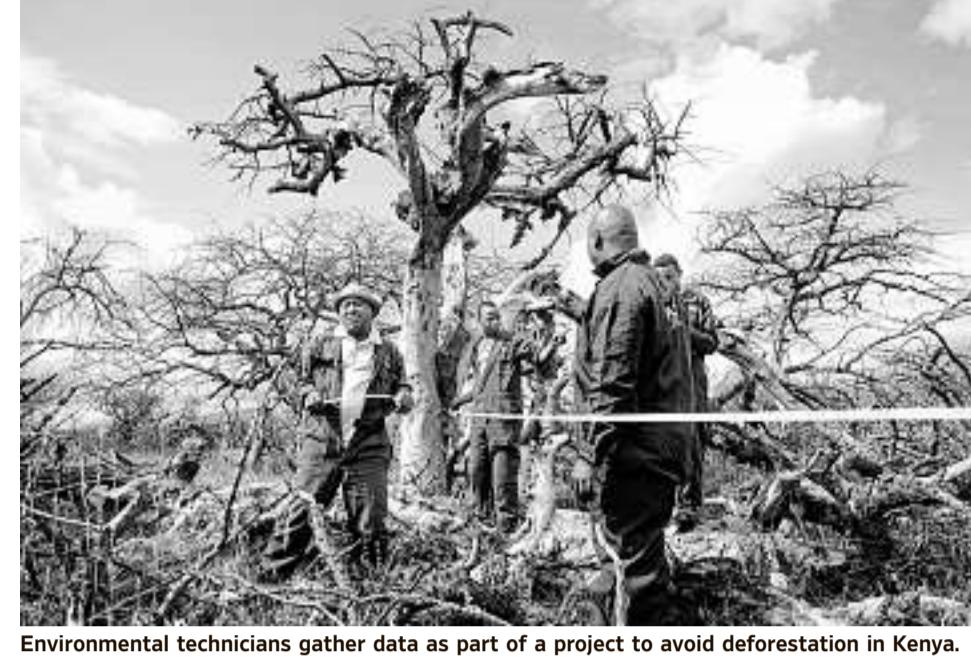
A controversial method of generating carbon offsets from forestry projects received a seal of approval from an independent governance group on Friday.

The new sets of rules, approved by the Integrity Council for the Voluntary Carbon Market, or ICVCM, apply to projects that avoid deforestation. This category, called REDD+, has faced scrutiny after researchers found that many projects offset far less carbon than developers claimed they did. Credits generated using the approved methods will be able to carry a Core Carbon Principles, or CCP, label, which is meant to function as a quality assurance guarantee.

The approved rules help fix one of the biggest problems with the credit category but fail to address other important issues, said Barbara Haya, director of University of California Berkeley's Carbon Trading Project. She led a team that assessed one of the three newly approved methodologies.

"It's better, but it's clearly not there yet, and [ICVCM] should not have accepted it," she said of the approval of VM0048, a methodology submitted by the credit registry Verra. Other approved methodologies include Verra's Jurisdictional and Nested Redd, or JNR, and one from Architecture for REDD+ Transactions (ART), known as TREES, both of which typically involve participation from governments.

The ICVCM is an independent self-regulatory body for the industry that was established in 2021 to build trust in the nascent market. REDD+ credits are among the most common types of voluntary



Environmental technicians gather data as part of a project to avoid deforestation in Kenya.

TONY KARUMBA/AF/GETTY IMAGES

carbon credits, but they lost 62% of their value in 2023, according to an analysis by Ecosystem Marketplace, largely due to concerns about whether they actually represent avoided emissions.

'Robust' methods

ICVCM has been evaluating different methods of counting emissions reductions. So far, it has weighed in on rules governing renewable energy, landfill methane and now deforestation. Methods that pass muster are eligible for its CCP label.

"We feel confident that these three methodologies that got the CCP label are very robust," said Annette Nazareth, chair of the governing board at ICVCM, of the new approvals.

The organization drew a line in the sand earlier this year when it determined that existing methods of counting emissions savings from renewable-energy projects weren't sufficient, rejecting methods that represented about 32% of the market. It estimates it has approved methodologies covering 3.6% of all credits in the

marketplace.

REDD+ carbon savings are tricky to calculate because they attempt to quantify avoided emissions—those emissions that would have been released into the atmosphere were it not for some form of sustainable practice, such as protecting a forest. To figure out how much carbon has been "saved" by keeping trees in the ground, the area in question has to be compared with a baseline. If the reference area loses 50% of tree cover and the project area loses 2% of tree cover, for instance, the project area receives credits equivalent to the difference.

Baseline problem

The problem is that developers have had a lot of leeway in choosing their own baselines in the past, Haya said. A house might appear to be saving a lot of electricity if it is next door to a big, leaky mansion where the owners leave the air conditioning on and the windows open. Its emissions savings might look different if the house is compared with 100 other houses of

similar size where the owners keep the windows closed.

It has gotten a lot easier to establish fair and accurate baselines with the arrival of sensors and other mapping technology during the past few years. Independent researchers have been calculating their own baselines and comparing their estimates to the credit market. One study of REDD+ baselines found that true emissions savings were about one-thirteenth of what had been claimed in the market. Haya worked on a meta-analysis of carbon credit research published last week that conservatively found that deforestation avoidance projects had provided less than a fourth of the carbon reductions they said they did.

"Everyone involved in the making of an offset credit benefits from exaggerated crediting, right?" she said. "You don't have the sort of supply and demand balancing act because both the supplier and the user benefit from more credits and cheaper credits."

The newly approved VM0048 methodology goes a long way to fix the baseline problem, Haya said. But other issues remain

unresolved. For example, the rules may allow developers to overestimate permanence, she said. She would also like to see the methodologies require stronger safeguards.

Previously, "they deemed some of the poorest-quality [offsets] 'poor quality' and some of the best-quality ones 'quality,'" said Haya. "What they've proven today is that they're not willing to maintain a high quality standard, and we can't trust them."

It is not yet clear how buyers will react to the ICVCM approvals of the new methods.

"The anticipation was that this was going to be a major initiative that would restore trust in the market," said Maria Eugenia Filmanovic, co-founder of carbon market intelligence platform Abatable.

"With a new methodology comes more stringency of criteria, some of which are specifically around how some of the claims are calculated," she said. "So there could be potentially less volume coming from REDD+. With that comes potential higher prices as well."

Confidence builder'

Bee Hui Yeh, head of climate strategy and solutions for credit marketplace Patch, said the company has seen demand for CCP-labeled credits from customers, calling the program an "important confidence builder."

Eligible REDD+ credits will carry the CCP label starting in early 2025. ICVCM estimates there are about 423 million credits in the pipeline that fall under the newly approved methodologies. Existing projects will need to transition to the new methodologies to be eligible for the label.

Filmanovic said she expects to see signs of momentum in the market in 2025 if the CCP label succeeds in bringing corporate offset buyers back into the market, but macroeconomic trends could also affect industry dynamics.

Pfizer Gets New Chief For R&D

Continued from page B1

The stock is down roughly 13% this year, compared with a 24% rise in the S&P 500.

The company miscalculated demand for its Covid-19 vaccines, and investors have been cool to recent drug approvals and launches.

In his new role, Boshoff will be responsible for advancing a slate of experimental vaccines and drugs for cancer, immune diseases and other illnesses, which Pfizer is relying on to lift its fortunes.

Adding to the urgency: Some blockbuster drugs face lower-price competition in the coming years, creating sales holes.

Boshoff's selection followed an internal and external search process to replace Mikael Dolsten, who Pfizer said in July would exit the company after 15 years.

Coming out of the pandemic, Pfizer Chief Executive Albert Bourla looked outside the company's walls to rework its senior ranks. Chief Financial Officer David Denton joined from Lowe's Cos. Aamir Malik, a former McKinsey managing partner, oversees the U.S. business. Wall Street analyst Andrew Baum joined Pfizer this year to manage strategy.

Boshoff, who grew up in South Africa and had a distinguished academic career in cancer research, joined Pfizer's cancer R&D division in 2013 and steadily rose through the corporate ranks. Last year, Bourla installed him into the new executive role overseeing its cancer business, which Pfizer is betting will spark billions of dollars in new sales.

Roger Dansey, a former Seagen executive who has been Pfizer's chief development officer in cancer, will assume Boshoff's cancer-business job on an interim basis and will retire after helping Boshoff select a permanent successor.

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The advances in generative AI are impressive, but the use cases so far haven't been transformational. Do you agree or disagree? Why?



Lúcia Soares

CIO and Head of Technology Transformation
Carlyle

"Although GenAI has been surrounded by significant hype, it's the real, tangible impacts that matter. We're seeing it boost engineering productivity, drastically reduce time to summarize content, draft reports and convert diverse data formats into actionable input for insights. I see this as 'transformational,' but exponential 'transformation' will come when we connect human creativity with GenAI to automate end-to-end workflows that can give employees back time to focus on strategic impact."



Carrie Rasmussen

Chief Digital Officer
Dayforce

"The integration of generative AI into various workflows has been a game-changer. By automating repetitive and mundane tasks, it frees up valuable time for individuals to focus on more strategic and creative aspects of their jobs. This not only boosts productivity, but also enhances job satisfaction as people can engage more deeply with the work they are passionate about. Transforming the nature of how we work lays the groundwork for fueling the ideas of tomorrow."



Philip Rathle

CTO
Neo4j

"Disagree. GenAI has changed the way hundreds of millions of people create, code, and conduct research. The sum total of these behaviors is transformative, even if we can't yet fully understand the impacts."

Enterprise use cases are harder to get off the ground because the stakes are typically higher. Success requires solving for hallucinations, privacy, explainability, and bias. Complementing LLMs with RAG, knowledge graphs, GraphRAG, and agentic architectures is what paves the way to transformation."



Vincent Marin

Global CIO
Sidley Austin, LLP

"Generative AI, while impressive, has not yet been truly transformational due to limitations of dated knowledge of LLMs, hallucinations, challenges with access to private data and AI governance within organizations. However, business process improvements with a variety of tools are quite promising. Working with our AI-risk knowledgeable lawyers as advisors and collaborators, we are seeing the benefits of Retrieval Augmented Generation (RAG), function calling, AI agents and other evolutions that are taking us towards transformational impact."

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BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:

i-New 52-week high; 1-New 52-week low; dd—Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Wednesday, November 20, 2024

Stock	Net Sym Close Chg	Stock	Net Sym Close Chg	Stock	Net Sym Close Chg	Stock	Net Sym Close Chg	Stock	Net Sym Close Chg	Stock	Net Sym Close Chg	Stock	Net Sym Close Chg		
AACN	AACN 132.05 0.89	AtmosEnergy	ATMO 147.22 0.44	CapitalOne	COF 180.69 -0.11	GFL Environmental	GFL 45.27 -0.32	KimberlyClark	KMB 136.37 0.76	RexfordIndlRealty	REXR 42.68 -0.07	Tesla	TSLA 342.03 -3.97		
AECOM	ACM 109.47 0.64	AuroraLmnv	AU 6.01 -0.23	GSK	GSK 33.35 -0.11	KimcoRealty	KIM 25.09 0.04	NYTimes A	NYT 52.01 -0.10	RioTinto	RIO 62.39 -0.04	TetraTech	TTEC 40.22 -0.52		
AES	AES 12.38 -0.47	Autodesk	ADSK 307.84 2.64	DexCom	DXCM 75.24 0.36	Gallagher	JUG 295.88 3.39	KinderMorgan	KMI 28.00 -0.08	Newmont	NEM 42.99 -0.19	Rivian	RIVN 10.05 -0.12	TevaPharm	TEVA 17.03 0.22
Afac	AFL 110.24 -0.39	AutoZone	AZO 3049.58 -57.33	Diageo	DEO 119.45 0.25	GameStop	GME 28.45 0.88	Kinetik	KNTK 60.59 0.45	Robinhood	HOOD 36.08 0.84	Texanstruments	TXN 198.19 -2.88		
AGNC Inv	AGNC 9.65 -0.02	Avalonbay	AVB 228.14 -0.24	DiamondDkEner	FANG 181.46 1.34	GamingLeisure	GLPI 50.54 0.29	KinrossGold	KGC 9.97 -0.03	Roblox	RBLX 51.52 -0.72	TexasPacLand	TPL 1450.70 30.57		
Ansys	ANSS 342.24 2.72	AxonEnterprise	AXON 609.82 -0.38	DigitalRealty	DLR 185.91 -1.36	Gartner	IT 518.00 0.27	KinsaleCapital	NKSL 47.29 8.84	NextEraEnergy	NEE 76.88 -0.09	RocketCos.	RKT 13.68 -0.03	Textron	TXT 81.86 0.58
ASE Tech	ASX 9.76 -0.10	Avangrid	AGR 36.08 0.11	DiscoverFinServs	DIFS 172.77 0.27	GenDigital	GEN 29.44 0.20	Klaviyo	KVYO 35.06 0.60	NiSource	NI 37.30 0.19	Roku	ROK 280.09 1.94	ThermoFisher	TMO 512.84 3.72
ASML	ASML 658.43 -3.73	BCE	BCE 27.00 -0.01	Douglas	DOCU 78.81 -0.71	Generac	GNC 180.19 0.25	Knight-Swift	KNS 56.01 -0.48	Nokia	NOK 4.25 0.10	RogersComm	RCI 35.29 -0.50	ThomsonReuters	TRI 160.74 -0.03
AST Space	ASTS 23.59 -2.56	BHP Group	BHP 52.27 -0.41	DuoSign	DOCU 78.81 -0.71	Phillips	PHG 26.31 0.34	Nomura	NMR 5.99 -0.06	RoivantSciences	ROIV 11.49 0.18	3M	MMM 127.84 -0.35	ThomsonReuters	TRI 160.74 -0.03
AT&T	T 22.83 0.10	BILL	BILL 87.86 1.77	DollarGeneral	DG 73.27 -0.30	General Mills	GIS 63.80 1.02	KrafftElecPwr	KEP 8.54 -0.15	Nordson	NDSN 252.56 0.10	Roku	ROKU 67.71 -4.90	Toast	TOST 42.50 ...
ATT	ATT 58.02 -0.21	BJS'Wholesale	BJ 85.70 -0.63	Dollaraire	DTR 63.18 -1.69	GeneralMotors	GM 54.87 -0.24	Kroger	KR 56.71 -0.49	Northvolt	NR 151.91 0.17	TollBros	TOL 151.51 0.17	Totap	TOT 151.51 0.17
AbbottLabs	ABBV 115.93 -0.24	BP	BP 29.08 -0.01	Doximity	DOX 49.90 -1.63	GlobalFoundries	GFS 41.66 -0.72	LamResearch	LRCX 70.05 -0.12	Northwestern	NTRS 107.88 0.04	TopBuild	BLD 351.10 1.00	Toro	TTC 81.87 1.05
AbbVie	ABBV 167.76 1.19	BW Tech	BWXT 129.76 -0.57	DraftKings	DNGK 43.80 0.59	Genmab	GMAB 20.45 -0.05	LatamAirlines	LTM 28.49 0.34	NorthropGrum	NOC 491.98 0.96	Rockwell	ROK 280.09 1.94	TorontoDomBk	TBD 55.94 0.11
Accenture	ACN 357.07 3.12	BXP	BXP 79.56 0.14	Dropbox	DBX 26.89 0.22	GenuineParts	GPC 120.76 -0.50	LKQ	LKQ 37.32 -0.28	Novartis	NOV 103.09 -0.18	TotalEnergies	TE 60.52 -0.19	ToyotaMotor	TMO 172.91 -2.48
AcuityBrands	AYI 315.62 -1.33	AxonEnterprise	AXON 609.82 -0.38	DuoLingo	DUOL 331.14 9.07	GenSciences	GLD 88.63 0.88	LPL Financial	LPLA 317.05 2.52	OrientalCaribbean	RCI 235.57 1.20	ToyotaMotor	TMO 172.91 -2.48	RoyalGold	RGLD 148.60 0.71
Adobe	ADBE 499.50 -0.11	BayerHughes	BHG 44.31 1.44	Duolingo	DUOL 331.14 9.07	GoldmanSachs	GMS 581.93 0.55	Lenovo	LEN 168.23 -0.52	NovoNordisk	NOVO 105.27 2.64	TractorSupply	TSCO 270.00 -2.85		
AdvDrainageSys	WMS 128.39 -0.68	BILL	BILL 87.86 1.77	Celestica	CLS 86.98 0.16	Grab	GRAB 5.66 0.20	LennoxInt'l	LII 62.55 0.35	NuHoldings	NU 13.32 -0.14	Rubrik	RBRK 45.15 0.94	TradeDesk	TTD 125.30 4.48
AdvMicroDevices	AMD 137.61 -1.79	BILL	BILL 87.86 1.77	CarpenterTech	CRS 180.70 -3.80	Dynatrace	DT 51.09 -0.49	LamResearch	LRCX 70.05 -0.12	Nucor	NUE 14.87 0.05	RyansSpecialty	RYAN 70.88 0.51	Tradeweb	TW 135.00 0.54
Aegion	AEG 6.22 -0.09	BioBrace	BIO 21.07 0.12	CenterGlobal	CGH 174.50 0.11	EMCOR	EML 518.52 1.82	LarimarAdv	LAMR 17.55 -0.14	NorthWestern	NTRS 107.88 0.04	RoperTech	TTC 40.22 -0.52		
AerCap	AER 95.25 -0.48	BioCncl	BIO 21.07 0.12	Carvana	CVNA 244.50 -4.93	Enbridge	ENBR 14.20 -0.01	LatamAirlines	LTM 28.49 0.34	Rockwell	ROK 280.09 1.94	TransDigm	TDMG 129.11 2.49		
AffirmA	AFFM 63.19 -0.77	BioCncl	BIO 21.07 0.12	CaseyGenStores	CAS 413.95 2.28	Epcon	EP 12.00 -0.01	Ledios	LDS 162.15 3.86	RoyalCaribbean	RCI 235.57 1.20	TransUnion	TRU 96.74 -0.30		
AgentTech	AGT 128.57 2.88	BioCncl	BIO 21.07 0.12	Castellanos	CAT 59.00 0.12	Equinix	EQIX 14.94 -0.05	Lennar	LEN 158.85 -0.48	SBA Comm	SBA 218.9 -0.53	Travelers	TRV 251.79 2.08		
AgriCoEqMines	AEQ 8.20 0.35	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	GenDigital	GEN 29.44 0.20	Lenovo	LEN 158.85 -0.48	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
AgreeRealty	ADC 77.01 -0.51	Bill	BILL 87.86 1.77	Carnival	CUK 22.67 -0.03	Genmab	GMAB 20.45 -0.05	Leverett	LH 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
AirProducts	APD 327.85 -0.15	Bill	BILL 87.86 1.77	Carnival	CUK 22.67 -0.03	GlobalFoundries	GFS 41.66 -0.72	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
Airbnb	ABNB 135.25 3.81	Biotech	BIO 21.07 0.12	CaseyGenStores	CAS 413.95 2.28	Genmab	GMAB 20.45 -0.05	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
AkamaiTech	AKAM 87.99 0.60	BioCncl	BIO 21.07 0.12	Castellanos	CAT 59.00 0.12	GlobalFoundries	GFS 41.66 -0.72	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
Albemarle	ALB 109.55 3.10	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	Genmab	GMAB 20.45 -0.05	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
Albertsons	ACI 191.12 -0.15	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	GlobalFoundries	GFS 41.66 -0.72	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
Alcoa	AA 45.74 0.14	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	Genmab	GMAB 20.45 -0.05	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
Alcon	ALC 85.50 0.07	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	GlobalFoundries	GFS 41.66 -0.72	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
AlexandriaReEst	ARE 104.31 -0.18	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	Genmab	GMAB 20.45 -0.05	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
Allstate	ALL 19.29 0.69	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	GlobalFoundries	GFS 41.66 -0.72	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
AllyFinancial	ALLY 35.55 -0.04	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	Genmab	GMAB 20.45 -0.05	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
AlnylamPharm	ALY 248.79 14.52	BioCncl	BIO 21.07 0.12	Carnival	CCL 25.08 -0.03	GlobalFoundries	GFS 41.66 -0.72	LiberateTech	LHT 237.85 1.62	SBI Global	SPIG 503.13 0.82	Viasat	TRM 70.48 0.81		
Al															

MARKETS DIGEST

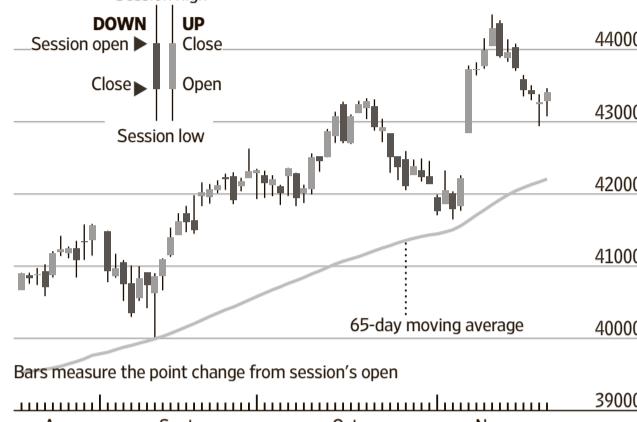
EQUITIES

Dow Jones Industrial Average

43408.47 ▲ 139.53, or 0.32%
 High, low, open and close for each trading day of the past three months.

Last: 27.34; Year ago: 25.66
 P/E estimate *: 22.32; 19.18
 Dividend yield: 1.84; 2.06
 All-time high: 44293.13, 11/11/24

Current divisor: 0.16268413125742



Bars measure the point change from session's open

Aug. Sept. Oct. Nov.

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; Based on Nasdaq-100 Index

S&P 500 Index

5917.11 ▲ 0.13, or 0.002%
 High, low, open and close for each trading day of the past three months.

Last: 25.65; Year ago: 19.69
 P/E estimate *: 24.63; 20.17
 Dividend yield: 1.24; 1.70
 All-time high: 6001.35, 11/11/24

6100



5700

5500

5300

5100

4900

Aug. Sept. Oct. Nov.

Nasdaq Composite Index

18966.14 ▼ 21.32, or 0.11%
 High, low, open and close for each trading day of the past three months.

Last: 33.37; Year ago: 29.27
 P/E estimate *: 31.27; 27.19
 Dividend yield: 0.77; 0.82
 All-time high: 19298.76, 11/11/24

19000



18500

18000

17500

17000

16500

16000

Aug. Sept. Oct. Nov.

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr. ann.
Dow Jones										
Industrial Average	43465.77	43074.86	43408.47	139.53	▲ 0.32%	44293.13	35273.03	23.1	15.2	6.8
Transportation Avg	17087.04	16900.39	17002.48	-26.31	-0.15	17566.34	14781.56	13.1	6.9	1.0
Utility Average	1058.46	1048.28	1055.07	1.25	▲ 0.12	1071.27	829.38	22.2	19.7	4.9
Total Stock Market	58988.44	58395.39	58960.78	32.99	▲ 0.06	59878.01	45192.46	30.4	23.4	6.7
Barron's 400	1304.91	1292.51	1304.90	3.01	▲ 0.23	1338.19	978.24	32.5	21.7	5.5

Nasdaq Stock Market

Nasdaq Composite	18974.91	18724.39	18966.14	-21.32	▲ -0.11	19298.76	14146.71	32.9	26.3	5.7
Nasdaq-100	20676.57	20402.55	20667.10	-17.49	▲ -0.08	21117.18	15788.05	29.2	22.8	7.6

S&P

500 Index	5920.67	5860.56	5917.11	0.13	▲ 0.002	6001.35	4549.34	29.9	24.1	8.0
MidCap 400	3233.49	3202.36	3233.23	16.79	▲ 0.52	3325.88	2539.24	26.8	16.2	4.0
SmallCap 600	1468.11	1454.08	1468.01	1.53	▲ 0.10	1531.42	1163.97	25.7	11.4	1.0

Other Indexes

Russell 2000	2325.88	2303.79	2325.53	0.71	▲ 0.03	2434.98	1792.81	29.5	14.7	-0.3
NYSE Composite	19760.27	19623.96	19749.13	30.88	▲ 0.16	20015.87	15907.89	24.1	17.2	5.2
Value Line	628.59	623.57	628.56	1.67	▲ 0.27	647.11	541.52	16.0	5.8	-2.5
NYSE Arca Biotech	5682.97	5581.79	5682.54	100.75	▲ 1.81	6154.34	4767.72	18.2	4.9	1.5
NYSE Arca Pharma	948.61	937.74	947.34	9.60	▲ 1.02	1140.17	875.93	7.6	4.1	6.7
KBWB Bank	134.06	132.59	133.30	-0.23	-0.17	134.94	82.23	61.7	38.8	-0.7
PHLX® Gold/Silver	152.18	150.85	151.66	-0.56	-0.37	175.74	102.94	30.7	20.7	3.3
PHLX® Oil Service	78.29	77.30	78.26	0.94	▲ 1.21	95.25	72.67	-5.7	-6.7	14.4
PHLX® Semiconductor	4902.84	4813.30	4884.25	-34.91	-0.71	5904.54	3645.82	30.4	17.0	7.7
Cboe Volatility	18.79	16.04	17.16	0.81	▲ 4.95	38.57	11.86	33.5	37.8	-1.4

©Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
MSCI ACWI	847.84	-1.35	-0.16		16.6
MSCI ACWI ex-USA	328.72	-1.80	-0.55		3.8
MSCI World	3732.77	-6.18	-0.17		17.8
MSCI Emerging Markets	1093.85	-1.09	-0.10		6.8
Americas					
MSCI AC Americas	2232.92	0.68	▲ 0.03		23.1
S&P/TSX Comp	25036.46	25.69	▲ 0.10		19.5
MSCI Latin America	2080.24	-2.92	-0.14		-21.9
Bovespa	128197.25	...	Closed		-4.5
S&P IP SA	3557.47	14.59	▲ 0.41		2.6
S&P/BMV IPC	50168.88	-53.52	-0.11		-12.6
EMEA					
STOXX Europe 600	500.49	-0			

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care for yourself.**



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COUNCIL

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract						Open	High	Low	Settle	Chg	Interest
Copper-High (CMX)-25,000 lbs.; \$ per lb.	Open	High	hi lo	Low	Settle	Chg	Interest					
Nov 4,1445 4,1460 4,1300 4,1435 0,0135 544	March'25 4,2075 4,2170 4,1690 4,1900 0,0080 103,721											
Gold (CMX)-100 troy oz.; \$ per troy oz.	Nov 2638,50 2638,50 2638,50 2648,20 21,10 895	Dec 2635,80 2659,00 2621,90 2651,70 20,70 205,548										
Jan'25 2628,40 2659,00 2634,40 2663,60 20,60 453	Feb 2659,20 2682,80 2645,50 2675,60 21,00 212,910											
April 2679,70 2702,70 2667,20 2696,30 21,40 611	June 2702,00 2724,30 2686,60 2717,40 21,70 28,844											
Palladium (NYM)-50 troy oz.; \$ per troy oz.	Nov 1151,50 1154,50 1151,50 1023,90 -11,40 6	Dec 1040,50 1047,00 1010,00 1025,90 -11,40 9,106										
Platinum (NYM)-50 troy oz.; \$ per troy oz.	Nov 979,80 979,80 979,80 960,70 -12,60 7	Jan'25 980,00 981,40 963,70 965,80 -12,80 76,094										
Silver (CMX)-5,000 troy oz.; \$ per troy oz.	Nov 31,180 31,180 31,180 30,956 -0,25 19	March'25 31,735 31,290 31,434 -0,25 68,416										
Crude Oil, Light Sweet (NYM)-1,000 bbls.; \$ per bbl.	Dec 69,55 70,15 68,75 68,87 -0,52 21,833	Jan'25 69,28 69,96 68,64 68,75 -0,49 366,848										
Feb 69,07 69,68 68,42 68,52 -0,50 157,371	March 68,84 69,44 68,24 68,34 -0,48 151,283											
June 68,46 68,99 67,87 67,97 -0,46 155,651	Dec 67,38 67,81 66,87 66,94 -0,41 155,876											
NY Harbor ULSD (NYM)-42,000 gal.; \$ per gal.	Dec 2,2370 2,2491 2,2221 2,2263 -0,139 67,178	Jan'25 2,2482 2,2603 2,2321 2,2365 -0,052 101,050										
Gasoline-NY RBOB (NYM)-42,000 gal.; \$ per gal.	Dec 2,0380 2,0720 2,0341 2,0458 -0,081 59,952	Jan'25 1,9942 2,0186 1,9865 1,9912 -0,0013 127,273										
Natural Gas (NYM)-1,000 MMbtu.; \$ per MMbtu.	Dec 2,962 3,237 2,942 3,193 -0,195 77,034	Jan'25 3,187 3,435 3,173 3,394 -0,166 343,548										
Feb 3,053 3,283 3,040 3,247 -0,156 140,701	March 2,786 2,991 2,780 2,958 -0,137 250,106											
April 2,770 2,937 2,763 2,910 -0,111 110,082	Dec 3,284 3,393 3,269 3,373 -0,077 107,898											

Agriculture Futures

Corn (CBT)-5,000 bu.; cents per bu.	Dec 427,00 432,00 424,75 430,25 3,00 385,585	
March'25 437,25 441,75 435,00 440,00 2,25 638,444		
Oats (CBT)-5,000 bu.; cents per bu.	Dec 345,00 354,25 336,75 344,75 ... 794	
March'25 361,00 373,75 356,25 363,25 2,25 2,692		
Soybeans (CBT)-5,000 bu.; cents per bu.	Jan 998,50 1001,50 985,25 990,50 -8,00 355,094	
March 1008,00 1011,00 995,00 995,25 -2,05 243,227		
Soybean Meal (CBT)-100 tons; \$ per ton.	Dec 289,30 290,90 287,10 289,40 ,80 103,990	
Jan'25 290,70 292,70 288,90 291,30 ,90 175,350		
Soybean Oil (CBT)-60,000 lbs.; cents per lb.	Dec 44,85 45,05 43,08 43,28 -1,56 88,440	
Jan'25 44,91 45,12 43,20 43,36 -1,56 181,649		
Rough Rice (CBT)-2,000 cwt.; \$ per cwt.	Jan 15,06 15,15 14,98 15,12 ,02 9,844	
March 15,25 15,28 15,21 15,25 ,01 2,125		
Wheat (CBT)-5,000 bu.; cents per bu.	Dec 549,50 555,25 543,50 552,50 2,75 78,268	
March'25 567,50 574,50 562,25 572,25 4,50 213,327		
Wheat (KC)-5,000 bu.; cents per bu.	Dec 558,00 566,25 553,50 561,75 3,50 36,782	
March'25 568,50 577,00 564,25 572,75 3,25 138,883		
Cattle-Feeder (CME)-50,000 lbs.; cents per lb.	Nov 254,250 254,925 253,775 254,800 ,50 2,739	
Jan'25 251,975 252,700 251,525 252,325 ,325 25,553		
Cattle-Live (CME)-40,000 lbs.; cents per lb.	Dec 186,575 186,925 186,025 186,300 -0,275 54,949	
Feb'25 187,800 188,550 187,675 187,925 -0,075 138,017		
Hogs-Lean (CME)-40,000 lbs.; cents per lb.	Dec 79,750 80,750 79,250 80,525 ,975 62,121	
Feb'25 83,025 84,900 82,400 84,475 1,600 120,791		
Lumber (CME)-27,500 bd. ft.; \$ per 1,000 bd. ft.	Jan 61,00 61,00 60,900 61,000 -5,00 6,516	
March 62,900 63,550 62,500 64,000 -5,00 638		
Milk (CME)-200,000 lbs.; cents per lb.	Nov 19,90 19,94 19,87 19,92 ,... 3,479	
Dec 18,97 19,19 18,82 19,15 ,19 5,971		
Cocoa (ICE-US)-10 metric tons; \$ per ton.	Dec 8,629 8,750 8,263 8,340 -0,234 1,503	

Currency Futures

Japanese Yen (CME)-¥12,500,000; \$ per 100Y	Dec ,6490 ,6493 ,6436 ,6457 -0,0029 249,557
March'25 ,6567 ,6567 ,6510 ,6532 -0,0030 3,054	
Canadian Dollar (CME)-CAD 100,000; \$ per CAD	Dec ,7171 ,7174 ,7142 ,7158 -0,0010 337,500
March'25 ,7197 ,7200 ,7167 ,7183 -0,0010 7,149	
British Pound (CME)-£62,500; \$ per £	Dec 1,2682 1,2723 1,2630 1,2646 -0,0030 213,796
March'25 1,2688 1,2711 1,2628 1,2643 -0,0029 6,502	
Swiss Franc (CME)-CHF 125,000; \$ per CHF	Dec 1,1381 1,1373 1,1316 1,1339 -0,0021 82,263
March'25 1,1480 1,1490 1,1433 1,1458 -0,0021 323	
Australian Dollar (CME)-AUD 100,000; \$ per AUD	Dec ,6535 ,6540 ,6487 ,6498 -0,0034 179,459
March'25 ,6542 ,6549 ,6490 ,6501 -0,0034 1,664	
Mexican Peso (CME)-MXN 500,000; \$ per MXN	Dec ,04950 ,04954 ,04895 ,04899 -0,00050 137,620
March'25 ,04880 ,04881 ,04825 ,04828 -0,00050 1,621	
Euro (CME)-€125,000; \$ per €	Dec 1,0608 1,0621 1,0518 1,0551 -0,0054 633,712
March'25 1,0658 1,0668 1,0566 1,0599 -0,0054 15,096	
Index Futures	
Mini DJ Industrial Average (CBT)-\$5 index	Dec 4,4043 4,3590 4,3181 4,3516 116 81,970
March'25 4,3927 4,4024 4,4020 4,3963 114 2,596	
Mini S&P 500 (CME)-\$50 index	Dec 5,9377 5,9575 5,8800 5,9375 -1,00 2,177,319
March'25 6,0075 6,0220 5,9450 6,00275 -1,00 79,022	
Mini S&P Midcap 400 (CME)-\$100 index	Dec 3,220,80 3,247,60 3,209,30 3,244,80 15,40 43,773
March'25 3,250,00 3,276,90 3,246,90 3,264,90 2,40 6	
Mini Nasdaq 100 (CME)-\$20 index	Dec 20,672,50 20,842,25 20,477,00 20,749,00 -18,75 269,954
March'25 21,022,50 21,098,00 20,734,00 21,003,25 -19,25 5,072	
Mini Russell 2000 (CME)-\$50 index	Dec 23,220,90 23,435,00 23,068,00 23,352,00 1,10 483,887
March'25 23,590,00 23,760,70 23,232,00 23,599,00 ,80 4,908	
Minis Russell 1000 (CME)-\$50 index	Dec 23,92,90 23,435,00 23,068,00 23,350,80 1,10 483,887
March'25 24,007,50 24,220,50 23,602,50 23,885,00 ,50 1	
U.S. Dollar Index (ICE-US)-\$1,000 x index	Dec 106,11 106,87 106,08 106,62 ,47 36,528
March'25 105,75 106,47 105,75 106,26 ,47 7,799	

Source: FactSet

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended November 15. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels

<table

BUSINESS & FINANCE

Crypto Magnate Pins Comeback On Artificial-Intelligence Mania

By VICKY GE HUANG

Barry Silbert, the founder of beleaguered crypto conglomerate **Digital Currency Group**, unveiled plans Wednesday to launch a decentralized artificial-intelligence company called Yuma.

The company will provide capital for entrepreneurs to build applications on the Bitensor network, a fledgling blockchain that is still largely unknown outside of crypto circles.

Yuma will be the fourth subsidiary under DCG, the sprawling crypto company that Silbert said he modeled after Warren Buffett's **Berkshire Hathaway**. Silbert and DCG ran into trouble during the 2022 crypto-market meltdown and faced allegations that they defrauded

investors. A lawsuit from the New York attorney general followed. DCG lending arm Genesis Global Capital filed for bankruptcy.

Now, Silbert is planning his comeback.

He and other industry executives are betting that a wave of crypto-friendly policies and deregulation under the coming Trump administration will usher in a renaissance that allows new companies and projects to flourish. Bitcoin prices have soared more than 30% since Election Day and recently topped \$94,000 for the first time.

The crypto industry has also been itching to find a profitable intersection between digital assets and AI. Bitcoin miners sought new life by retiming their mining rigs or computers

when the AI mania began. Venture-capital investors have been looking for startups that claim to bridge the sectors.

"DCG is back," Silbert said. "We're building, we're investing, we're launching a new business and we're looking forward."

Silbert, a 48-year-old finance veteran who started his career on Wall Street, said he is "100% convinced" that he and the company will move past the lawsuit, whether through dismissal or litigation. DCG's other divisions include crypto-asset manager Grayscale Investments, exchange Luno and bitcoin-mining company Foundry.

He intends to dedicate most of his time to building out Yuma. Silbert said the Bitensor network and its native TAO token remind him of bitcoin's

early days.

Silbert, who bought bitcoin when it traded below \$10, is making a similar bet on the TAO token. DCG started buying the token near the same price and has accumulated more than \$100 million. The token was trading at about \$470 and had a market cap of about \$3.5 billion as of 4 p.m. ET, according to CoinMarketCap data.

As it did for bitcoin, ether and other tokens, DCG's Gray-scale asset-management arm in August launched a trust that holds TAO.

Critics say Bitensor is vulnerable to hacks and other cyberattacks like all emerging blockchains. In July, the blockchain was paused after about \$8 million in TAO tokens was stolen from people who verify transactions for the network.



Gary Wang was sentenced to time served and probation.

ADAM GRAF/AFGETTY IMAGES

Fund Raises Millions to Back Blockchain Ventures

By YULIYA CHERNOVA

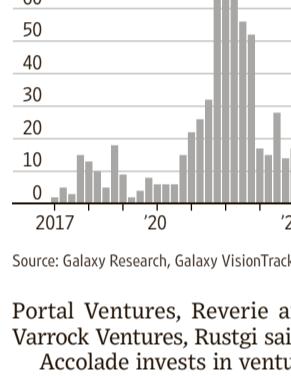
When many investors stopped backing crypto venture funds, Accolade Partners saw an opportunity to keep deploying capital. Now it is riding new tailwinds thanks to Donald Trump's election and the expanding adoption of crypto technologies.

Accolade held a final close on Accolade Blockchain III in October, raising \$202 million for its third fund backing blockchain venture funds. This time around it boosted its secondary strategy, while continuing to buy direct interests in venture funds.

The firm began tapping the new fund last year and has deployed more than half of the capital, said Managing Partner Atul Rustgi.

Accolade Blockchain III has so far invested in funds from managers including 1ix, Arachetype, Framework, ParaFi,

Quarterly number of crypto venture funds raised globally



Source: Galaxy Research, Galaxy VisionTrack

market.

Accolade, which also backs traditional venture and private-equity growth funds, was an early mover among institutional limited partners in crypto venture capital. Its first deal in the sector was in 2018, with an investment in Andreessen Horowitz's first crypto venture fund.

Accolade now manages \$1.3 billion across its blockchain funds of funds. Rustgi said the market is now much larger, with 500 or more crypto-focused venture funds.

"We believe in the decentralized business model. We believe it's better, faster, cheaper," Rustgi said, adding that Accolade sees blockchain and crypto as the next evolution of software development.

This time Accolade has tweaked its strategy to pursue more secondary deals, buying shares in existing venture funds, as well as general part-

ner stakes, or purchasing a stake in the management company of a venture firm.

"With this one, more than any fund we've ever had, we've been pretty aggressive there," Rustgi said about secondary deals.

Accolade has used about 15% of the new fund to buy secondary interests in crypto venture funds, at discounts of about 30% to 70% to fair market value, Rustgi said. He declined to say which funds Accolade bought into, but said the deals were bargains, calling them "just beautiful secondaries."

Accolade saw an opportunity to buy low in a market where sentiment has been broadly negative for the past two years or so, with crypto venture fundraising overall having retreated dramatically more than the traditional venture market, which has also been depressed.

Former FTX Official Avoids Prison Time In Firm's Collapse

By JAMES FANELLI

Bankman-Fried was sentenced to 25 years in prison earlier this year after a jury found him guilty of fraud and other charges after a month-long trial.

Wang and two other members of Bankman-Fried's inner circle pleaded guilty and testified on behalf of the prosecution at the FTX founder's trial.

Wang admitted to writing the FTX software code that allowed Bankman-Fried's crypto investment firm, Alameda Research, to siphon funds from the exchange.

Assistant U.S. attorney Nicolas Roos said at Wang's sentencing that the defendant was the first to agree to cooperate, meeting with prosecutors within a week of FTX's collapse. His input sped up the investigation. "He came in and deciphered basically half the case for us on the very first day of his cooperation," Roos said.

Wang has also helped develop a tool for the government to detect fraud in securities markets and is working on one for crypto markets, Roos said.

"I'm going to spend the rest of my life doing everything I can to make amends," Wang said at the sentencing.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG—Daily percentage change from the previous trading session.

Wednesday, November 20, 2024

Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg
Highs					
AG Mortgage Pfd MITTIp	25.49 +0.2	Church&Dwight CHD	111.75 +0.3	Gambling.com GAMB	13.08 +3.1
Affirm A AFMR	64.56 -1.2	ChurchillCapVxw CCKW	0.43 +2.9	GasLogPtrsPfd GLOP	26.50 +0.5
AgricNatWt ANSWC	0.39 +25.7	Cinemark CNK	34.26 -2.0	GenworthFin GW	7.50 +0.8
AlgonquinN2079 AQNB	25.88 -0.3	Cineverse CIVS	4.02 +3.9	GiltBtrTravel GBTG	9.20 -1.1
AlliantEnergy LNT	62.59 +0.1	CleanSparkVxt CLSKW	0.92 +81.6	Global-ElonM GLBE	52.27 +12.0
AlphaTech TKNO	8.36 +24.6	ClimbGbl CLMB	134.90 +0.4	GlobalEngne GLE	5.44 +2.6
AmerSports AS	21.69 +1.4	ColdstoneCln COOL	7.48 +1.6	NextenIntr NEXI	9.78 +10.3
Amrep AXR	38.60 +4.3	ComstockRcs CRK	15.07 +6.8	OpenSeaNFT NEPFT	49.14 -0.5
ApolloGlpFd APOAp	90.37 -2.8	ContextLogic LOGC	7.11 -0.6	Perma-PipePPL PPPL	3.55 +0.9
AppliedDigital APLD	9.68 -4.4	CoreCard CCARD	18.81 +3.9	PermataBank PTO	61.01 +1.0
AppliedOptelec AAOI	34.09 +19.3	CrohAero CVA	3.84 -0.3	PackagingCpn PKG	248.62 +4.2
AppLovin APP	342.51 +1.3	CrescentEnergy CRGY	14.59 +1.7	PanTechnology PAR	76.37 +1.4
ArisWater ARIS	26.39 +6.0	CreditSuisse CS	11.58 +0.4	Payoneer PAYO	10.96 +0.2
Assurant AIZ	226.67 +0.8	Cresus CRESY	20.95 +0.5	PennyMac PMCP	10.20 +0.1
Atlanticus ATLC	52.59 +1.5	CrossMark CRESW	0.92 +7.0	Perma-PipePPL PPPL	19.51 +0.2
AvePointWt AVPTW	6.56 -0.9	CustomersBncPfd CUBOp	25.99 +0.2	Perma-PipePPL PPPL	19.51 +0.2
AvePointWt AVPT	17.50 +5.6	CyberArkSoftware CYBR	318.46 +0.6	PharmaCoPllc PHCO	1.03 +0.5
BK Tech BKTI	36.83 -5.8	CoinbaseCBT COIN	110.10 ...	PhoenixPplg PHX	103.70 +0.3
BOS BetterOnn BOSC	3.34 +0.9	CloudigoPdu COOD	9.80 +7.9	PolycomPldg POLY	11.00 +0.1
BankNovaScotia BNCS	56.44 +0.3	DuoLingo DUOL	331.84 +2.8	PowerInt PWR	10.00 +0.1
BankUnited BKU	41.72 -1.1	DuoTech DUOT	6.44 +13.0	Practo PRACTO	10.00 +0.1
BellRing BRBR	75.74 +1.6	Duolingo DUOL	5.28 +5.6	ProteusPldg PROTEUS	10.00 +0.1
BlackPadellWt BWIIH	0.31 +29.2	ElectronicArts EA	167.51 +0.3	Qualcomm QCOM	10.00 +0.1
Blackstone BX	187.12 +0.1	EnergyTransfer ET	18.37 +1.8	QuintilesTrl QTSW	10.00 +0.1
BlendLabs BLND	5.11 +2.0	EnergyTransfer ET	28.28 +0.3	RainbowPldg RAINBOW	10.00 +0.1
BloomEnergy BE	25.12 +4.4	EnphaseEPD EPD	31.87 +0.5	Realogy RLY	10.00 +0.1
Boxhead BOW	35.15 +1.4	ExponentPd EXPY	3.12 +10.8	RealtyTrl REIT	10.00 +0.1
BrinkerIntl EAT	124.94 +2.1	Evergy EVRG	64.42 +0.6	RegalEntertainment REGN	10.00 +0.1
BrookfieldBRP725Nt BEPJ	26.59 +0.3	Exigen EXGN	42.19 +10.0	ReserveBank RESB	10.00 +0.1
BrookfieldFinNt BNJ	16.91 +0.1	ExelonEXG EXEL	7.11 -0.6	RivianRvng RIVN	10.00 +0.1
BrookfieldFinNtBPS2084 BIPW	25.75 -0.9	ExciteEnergy EXE	30.47 +1.0	Roku ROKT	10.00 +0.1
ButterflyNtwk BFLY	3.37 +8.9	ExpandEnerWt EXPY	3.12 +10.8	RubbermaidFnd RUB	10.00 +0.1
ButterflyNtwkWt BFLWY	2.04 +17.0	ExxonMobil XOM	115.45 +0.2	RubbermaidFnd RUB	10.00 +0.1
C&F Fin CFFI	75.05 +0.5	Expensify EXPY	3.12 +4.7	RubbermaidFnd RUB	10.00 +0.1
CBL&Assoc CBL	28.95 +1.9	FTAI Aviation FTAI	173.97 +0.1	RubbermaidFnd RUB	10.00 +0.1
CNX Resources CNX	40.17 +1.9	FirstEnergy FER	218.18 +3.1	RubbermaidFnd RUB	10.00 +0.1
CAE CAE	22.83 +0.1	Flex FLEX	40.48 +6.7	RubbermaidFnd RUB	10.00 +0.1
Camco CCJ	59.24 +0.3	Flxsteel FLX	60.69 +1.5	RubbermaidFnd RUB	10.00 +0.1
Carnival CCL	25.45 -0.2	FleetCorps FTK	8.65 -4.7	RubbermaidFnd RUB	10.00 +0.1
Carnival CCL	23.01 -0.1	FirstFloorAcqn FOR	11.10 +0.5	RubbermaidFnd RUB	10.00 +0.1
CarpenterTech CRS	187.03 -2.1	FreedomFnd FRIC	122.71 +4.9	RubbermaidFnd RUB	10.00 +0.1
Celestica CLS	88.68 +0.2	GigaOmni GCMG	12.48 +3.1	RubbermaidFnd RUB	10.00 +0.1
CenterPointEner CNP	31.69 +0.5	Geo Group GEO	28.60 -2.1	RubbermaidFnd RUB	10.00 +0.1
CheniereEnergy LNG	220.79 +0.3	GlobalFoundries GWF	14.84 +18.1	RubbermaidFnd RUB	10.00 +0.1

Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg	Stock	52-Wk % Sym Hi/Lo Chg
Lows					
FIDZrlQlgCpx FIDZ	21.24 -0.6	GlobeLease GLBL	39.31 -2.5	GlobeLease GLBL	39.31 -2.5

MARKETS

News Corp
Dual-Class
Shares Stand

News Corp shareholders voted in favor of maintaining the company's dual-class share structure, rejecting an activist's proposal aimed at reducing the Murdoch family's influence.

The nonbinding proposal, which was submitted by activist investment firm Starboard Value in September and garnered support from proxy-advisory firms, would have made each outstanding share of News Corp's common stock equal to one vote. Currently, Class B have greater voting power than Class A shares. The family of Chairman Emeritus Rupert Murdoch owns about 40% of Class B shares.

Starboard argued in a letter to shareholders in September that the dual structure wasn't a best-in-class corporate-governance practice. The firm said the legal fight involving Murdoch and his children over the conglomerate's control was one example of a risk to it. News Corp responded that the share structure promoted stability. It said on Wednesday it was pleased its stockholders convincingly supported the company and board on all matters. News Corp is the parent of Dow Jones & Co., publisher of The Wall Street Journal.

—Ben Glickman

AUCTION RESULTS

Here are the results of Wednesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

17-WEEK BILLS

	\$201,035,397,300
Applications	\$64,185,984,900
Accepted bids	\$536,304,800
*noncompetitively	\$0
*foreign noncompetitively	\$0
Auction price (rate)	98.552167 (4.380%)
Coupon equivalent	4.506%
Bids at clearing yield accepted	95.06%
Cusip number	912797NS2
The bonds, dated Nov. 26, 2024, mature on March 25, 2025.	

20-YEAR BONDS

	\$38,502,712,600
Applications	\$17,088,318,100
Accepted bids	\$103,308,000
*noncompetitively	\$0
*foreign noncompetitively	\$0
Auction price (rate)	99.287183 (4.480%)
Interest rate	4.625%
Bids at clearing yield accepted	13.41%
Cusip number	912810UF2
The bonds, dated Dec. 2, 2024, mature on Nov. 15, 2044.	

Nvidia Shares Fall After Earnings

Nvidia's earnings day didn't quite live up to the hype.

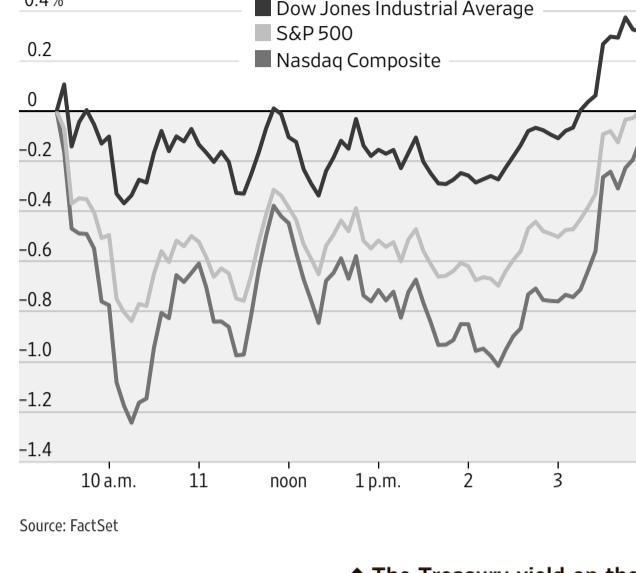
The chip manufacturer reported another quarter of surging sales and profit after markets closed—but investors' early response was "meh."

The company's shares slipped in after-hours trading, a sign that the results didn't meet the lofty expectations of investors who have piled into Nvidia's shares.

The day's other big news was Target. The retailer's shares plunged after it reported much weaker-than-expected results, a day after a positive update from Walmart on the holiday shopping season.

Major indexes were mixed. The Dow Jones Industrial Averages closed 0.3% higher, while the S&P 500 was flat. The technology-heavy Nasdaq Composite slipped 0.1%.

Index performance on Wednesday



Source: FactSet

Elsewhere:

- ◆ Bitcoin hit a new intraday peak of \$94,963, following strong volumes in this week's debut of options on BlackRock's bitcoin exchange-traded fund.

- ◆ The Treasury yield on the 10-year U.S. Treasury note settled at 4.406%, up from 4.378% on Tuesday.

- ◆ European stocks stabilized. The pan-continental Stoxx Europe 600 was little

changed, a day after tensions with Russia sent European markets falling. In Asia, Hong Kong's Hang Seng Index ticked up, while Japan's Nikkei 225 slipped.

◆ Investors continue to assess Donald Trump's cabinet picks, with the prospect of Dr. Mehmet Oz atop the Centers for Medicare and Medicaid Services sparking enthusiasm among managed-care investors, sending up shares of UnitedHealth and Humana Wednesday.

—By Alexander Osipovich and Chelsey Dulaney

THURSDAY'S EVENTS:

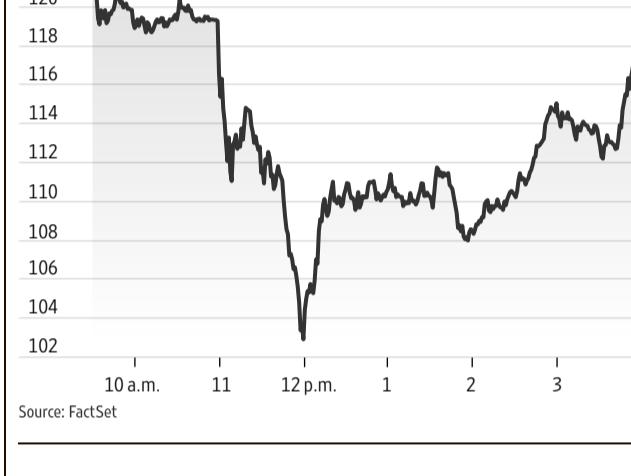
Weekly jobless claims are due at 8:30 a.m., followed by data on monthly sales of existing homes at 10 a.m.

EARNINGS EXPECTED:

Before the bell:

Deere

e.l.f. Beauty stock price Wednesday



Source: FactSet

e.l.f. Beauty Stock Declines After Short Seller Targets It

Short seller Carson Block has a new target: e.l.f. Beauty.

Speaking at the Sohn investment conference in London Wednesday, the founder of Muddy Waters Research raised questions about the company's sales, profits and inventory.

e.l.f. didn't respond to a request for comment.

Block didn't disclose the size of his short position while speaking, or in a report posted on the Muddy Waters

website. Short sellers seek to profit from stock sell-offs.

They do this by selling borrowed shares, hoping to later close their position by buying back stock at a lower price.

The report said that upon publication, Block's firm intends to "begin covering a substantial majority—or possibly all—of our short positions."

e.l.f. shares closed down 2.2% for the day.

—Caitlin McCabe

Natural-Gas Futures Hit Their Highest Price in a Year

Natural-gas futures rose 6.5% Wednesday to end at their highest price in a year, a sign that traders are gearing up for the unusually warm au-

tumn weather to give way to cold in the coming weeks.

Futures for December delivery ended at \$3.193 per million British thermal units, about

twice the low hit in late March, after the historically warm winter left an abundance of the heating fuel unburned. The

big question now for traders is

how high prices will climb before drillers who curtailed output to buoy prices during this year's slump bring production back online. —Ryan Dezember

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CMO Network

Member Voices

The Wall Street Journal CMO Network connects the decision-makers behind the world's most influential brands to discuss what—and who—is driving today's trends and chart the path forward.



Carrie Palin

Chief Marketing Officer,
Cisco

In the past two years, what's the biggest lesson you've learned about marketing through economic uncertainty?

Prioritize driving growth in the market, full stop. We're dedicated to creating exceptional customer experiences—both in person and digital. Our data-driven approach informs us when to build upon activities that support and align with our growth objectives. If they don't, we quickly pivot and focus on the strategies that do.

What priorities rise to the top for you in your role as CMO during times like this?

The caliber of the services we provide is our first priority. We want to ensure our customers are at the center of everything we do, from helping solve their biggest challenges with innovative technology to providing memorable experiences through stellar events, sponsorships and engagements.

Another priority is aligning with brands that support our mission and enhance our existing portfolio. In that vein, we recently acquired Splunk to drive growth and support our vision of building a more resilient digital world for our customers across the globe. Our team's mission is to bring our One Cisco story to life and

highlight the power our combined portfolio can deliver.

When faced with a new challenge, what's your decision-making process, and where do you turn for trusted information or advice?

As I think through decisions, I generally start by asking "What is the right outcome for my organization, and what is my gut telling me?" I also strongly believe in the power of data, and my first hire is always a data scientist who delivers insights to make decisions more airtight. In terms of soliciting guidance, I am incredibly fortunate to be able to turn to my peer set and leadership team who are world-class experts in their respective areas. Consulting with cross-functional peers challenges me to consider perspectives outside of a purely marketing lens. I value synthesizing a 360-degree range of viewpoints and approaches to make the best possible decisions for the business and the people who drive it forward.

What's in your toolbox for investing in your team—to help them stay focused, feel supported and be productive?

First and foremost, you need to get to know your people and understand what drives them. Everyone's

professional love language is different. Ensuring our people are engaged and rewarded for their hard work in a way that is valuable to them is paramount to their success and our team's success. In fact, I ringfence part of my budget every fiscal year to provide individuals with access to leadership coaching and leadership programs, such as Stanford's "Emerging CMO: Strategic Marketing Leadership" program. After all, I hope that Cisco's next and best CMO comes from our team.

What are you most proud of in your current role?

Two things stand out to me: First, the fact that marketing serves as a legitimate growth driver in the business. Over the past three years, we've transformed our digital capabilities: revamped our website, rebuilt our data foundation and systems, and built out our demand engines, tripling ROI and delivering real business results.

Second, I'm proud of Cisco recently being named Interbrand's number one pure B2B brand for the fourth year in a row. Receiving this recognition again is a testament to our team's hard work, unwavering dedication and creative courage. Achievements like this are reflective of the enduring power of a brand built on trust and innovation.



The Wall Street Journal news organization was not involved in the creation of this content.

STOCK SPOTLIGHT

Nvidia

Shares of the artificial-intelligence-chip maker closed down 0.8% ahead of its latest quarterly results released after the session's close.

Target

The retailer's shares tumbled 21% after it posted disappointing quarterly results and cut its full-year earnings forecast.

NIO

The Chinese electric-vehicle maker's loss widened in the latest quarter as the company cut prices amid intense competition in its domestic market. NIO's U.S.-listed shares gained 0.4%.

Qualcomm

The company set out new sales targets late Tuesday, including a plan to bring in \$4 billion of revenue from personal-computer chips by its 2029 financial year. Qualcomm stock closed down 6.3% on Wednesday.

Williams-Sonoma

The home-goods retailer's shares rallied 28% after its quarterly results topped Wall Street analysts' expectations and the company projected a smaller decline in full-year sales.

Super Micro Computer

The server maker's stock dropped 8.7%. The company surged 31% on Tuesday, after Super Micro named a new auditor and submitted a plan to remain listed on the Nasdaq.

MicroStrategy

The cryptocurrency-buying software company sold a larger-than-expected \$2.6 billion of bonds that convert into stock, giving it more cash to purchase bitcoins. Shares gained 10%.

Robinhood Markets

The stock, a big winner from the postelection rally, increased 2.4%.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Walmart and Target: A Tale of Two Stores

One retailer offered signs that it will have happy holidays this year and the other missed the mark

Is America's largest retailer a bellwether for others or the Grinch stealing Christmas sales from everyone else?

So far, it is shaping up to be the latter. **Walmart** had a great start to the holiday selling season: It said on Tuesday that comparable sales for Walmart U.S. rose 5.3% in the three-month period ended Oct. 25 compared with a year earlier, handily beating the 3.8% growth that analysts polled by Visible Alpha expected. This marks the 11th consecutive quarter of Walmart U.S. beating analyst expectations on that metric.

Target, on the other hand, reported on Wednesday that comparable sales grew 0.3% in the comparable period, short of the 1.4% pace Wall Street expected.

Walmart raised its fiscal-year guidance for the third time. It expects net sales to grow 4.8% to 5.1% on a constant currency basis, up from the 3.75%-to-4.75% range it provided three months ago. Already the top-performing retailer in the S&P 500, its shares gained 3% after the earnings call on Tuesday.

Target, which lowered its fiscal year guidance, saw its shares plunge 21% after its earnings call on Wednesday.

Walmart's standout results clearly might not be a great sign for other retailers—both for those catering to high-income consumers and dollar stores. It has been scooping up market share, most notably with higher-income consumers. Last quarter, 75% of Walmart's market-share gains came from households earning more than \$100,000.

That may be drawing away sales from Target—even in the discretionary categories for which it is best known. Target said it saw weakness in the home and the hardlines category, which includes appliances and toys. By contrast,



A worker looks on as robotic arms sort boxes inside a Walmart distribution center in Brooksville, Fla.

Walmart saw comparable-sales growth in its general merchandise category, with strong demand in home products and toys.

Its every-day-low-price reputation is one reason why Walmart is gaining wallet share, but improved convenience—such as through speedier delivery—has been a strong pull.

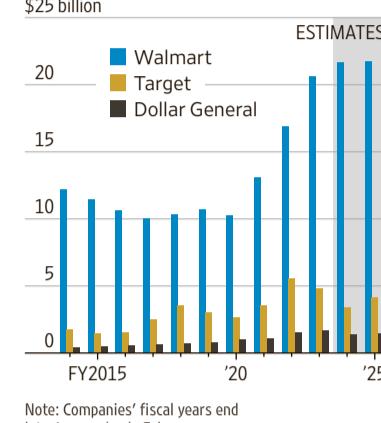
Walmart's strong results might be a warning sign for dollar stores.

They typically attract customers through a fast, in-and-out experience but have been losing market share to Walmart, according to a report from Citi. Walmart's improved convenience is luring in low-income customers, too. About 22% of Walmart+ members are on food stamps, or the Supplemental Nutrition Assistance Program, according to survey results from Evercore. By comparison, about

13% of U.S. residents receive SNAP. Since last year, Walmart has been offering a reduced rate on its paid membership for customers on government assistance.

Matching Walmart's value and convenience won't be easy for competing retailers. The company invested heavily over the past few years to make its delivery and pickup operations more efficient while revamping stores. From 2021

Annual capital expenditures



through the end of this fiscal year, Walmart is expected to have made about \$72 billion in capital expenditures. That isn't an outrageous amount relative to its revenue, but the dollar amount dwarfs all other retailers except Amazon. Retailers more reliant on imported discretionary goods—such as Target and dollar stores—are likely to see worse impacts on their bottom lines than Walmart if tariffs are imposed next year.

Walmart's strong e-commerce sales growth—in Walmart U.S., it grew 22% last quarter—is helping growth in its high-margin revenue streams: Its U.S. advertising business grew 26%. Walmart+ membership income rose by a double-digit percentage and more sellers on its third-party marketplace are paying for its fulfillment services.

All of this means Walmart has the cushion to reduce pricing if it needs to in the coming quarters, undercutting competitors even more. As long as consumers remain cautious, a happy holiday season for Walmart won't be a joyful one for all.

—Jinjoo Lee

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Tariffs Aren't the Only Headaches Facing Asia

A looming trade war would create many headaches for Asia. Add a strengthening dollar to that list.

The greenback's value has risen since Donald Trump's re-election in part because his proposed massive tariffs, tax cuts and crackdown on immigration are expected to push up inflation. That would force the Federal Reserve to keep interest rates higher for longer—a bet that can be gleaned from a meaningful rise in bond yields. Higher rates tend to make a currency more attractive. All of this would give Asia's central banks serious problems.

While China remains Trump's primary target—with threats of 60% plus tariffs on imports from the country—the collateral damage could ripple through Asia's interconnected economies. Asia, excluding China, has grown increasingly reliant on U.S. demand, with its share of exports to America climbing from 11.7% in October 2018 to 14.7% now, according to Morgan Stanley. This shift partly reflects Chinese exports being redirected through Southeast Asian nations.

Weaker currencies versus the dollar could help cushion the blow from increased tariffs by making exports more competitive compared with U.S. goods, but that could also risk accelerating capital outflows. This presents a particular challenge for China, which is dealing with a slowing economy due to its housing market's implosion.

The yuan depreciated roughly 10% against the dollar during the last trade war, in 2018 and 2019. But the proposed tariff this time is much higher than last time, so the yuan might need to fall even further. Beijing will likely take a measured approach, waiting for actual tariff announcements before deciding what it will do. Some yuan weakening might be permitted, but a sharp

Performance against the dollar, past three months



Most Asian economies are expected to cut rates next year.

drop probably wouldn't be, given the risks of capital fleeing the country.

Capital outflows probably aren't as big a concern for other Asian economies, but a weaker currency would also increase inflationary pressure since it would raise the costs of imported goods, especially energy and food. That could put some constraints on how much monetary easing can take place in the region. With the exception of Japan, most Asian economies are expected to cut interest rates next year. Even for Japan, which was the last country to emerge from an experiment with subzero interest rates, a plunging yen might force its

central bank to raise rates faster than it is comfortable with.

Many Asian central banks have ample foreign-currency reserves, so they will probably intervene to keep their currencies from sliding too quickly. Even so, capital will likely flow out of the region if U.S. rates remain higher than those in Asia. According to J.P. Morgan, Asian equities excluding Japan dropped by an average of 13% during periods of dollar strength since 2008.

As Asia braces for another potential trade storm, the region's central bankers face a tricky and dangerous balancing act.

—Jacky Wong