

THE WALL STREET JOURNAL.

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DJIA 41622.08 ▲ 228.30 0.55%

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STOXX 600 515.11 ▼ 0.2%

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YEN 140.61

What's News

Business & Finance

◆ **Tesla's expansion of its Supercharger network has slowed in recent months, after layoffs in April gutted the team responsible for installing new electric-car chargers and stations.** A1

◆ **A federal appeals court signaled skepticism with TikTok's legal effort to prevent the U.S. from forcing the app to sever ties with China to keep operating in the U.S.** B1

◆ **Boeing said it would freeze hiring and delay pay increases for its salaried workforce as the jet maker grapples with financial fallout from a strike launched by its largest union.** B1

◆ **Amazon told employees that they will be required to be in the office five days a week starting in January.** B1

◆ **Intel said it would further separate its chip-manufacturing and design operations to weather one of the most significant crises in its history.** B1

◆ **The Dow rose 0.6% to a fresh high. The Nasdaq slipped 0.5% and the S&P 500 inched up 0.1%.** B10

◆ **BP plans to sell its U.S. onshore wind-energy division in a move to simplify its business and focus on its solar operation.** B3

◆ **Oracle announced a partnership with Amazon's cloud unit, cementing its strategy of joining with past rivals.** B4

◆ **A trial got under way to determine whether Rupert Murdoch can change a trust holding his family's assets.** B3

◆ **A bankruptcy judge ruled that failed trucker Yellow can't escape its pension withdrawal liability.** B3

World-Wide

◆ **The suspected gunman in Sunday's apparent assassination attempt on Donald Trump was hiding near the former president's Florida golf course for roughly 12 hours before a Secret Service agent spotted him and opened fire, prosecutors said.** A1

◆ **The suspect acted so erratically during his years as a pro-Ukraine activist that other Americans flagged his behavior to U.S. authorities.** A4

◆ **Ryan Wesley Routh urged in a self-published book the assassination of Trump over his decision to withdraw from a diplomatic agreement restricting Tehran's nuclear program.** A4

◆ **The number of Ukrainian and Russian casualties is approaching one million, as the grinding war accelerates a steep population decline in both countries.** A1

◆ **A top U.S. envoy warned Israel over escalating the fight with Hezbollah in Lebanon, reflecting growing U.S. concern that the conflict in Gaza could spread.** A16

◆ **A key White House adviser declared that the U.S. economy has reached "an important turning point" in which the inflation surge has largely ended.** A2

◆ **Two former New York City fire chiefs were charged Monday with accepting tens of thousands of dollars in bribes in exchange for expediting safety inspections.** A3

◆ **A group of senior U.S. officials is traveling to Beijing this week for talks to underscore Washington's concerns over a wave of Chinese goods flooding world markets.** A16

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Pups Join Troops for Mexico Independence Day



PAWSOME: In Mexico City, members of the military march in the country's Independence Day parade Monday with puppies being trained in the canine unit. The parade celebrates the anniversary of Mexico's independence from Spain.

Toll of Dead and Injured Hovers Near One Million in Ukraine War

BY BOJAN PANCEVSKI

ING TO RELEASE OFFICIAL ESTIMATES OR, AT TIMES, PUTTING OUT FIGURES THAT ARE WIDELY MISTRUSTED.

A CONFIDENTIAL UKRAINIAN ESTIMATE THIS YEAR PUT THE NUMBER OF DEAD UKRAINIAN TROOPS AT 80,000 AND THE WOUNDED AT 400,000, PEOPLE FAMILIAR WITH THE MATTER SAID. WESTERN INTELLIGENCE ESTIMATES OF RUSSIAN CASUALTIES VARY, WITH SOME PUTTING THE NUMBER OF DEAD AS HIGH AS NEARLY 200,000 AND WOUNDED AT AROUND 400,000.

DETERMINING THE EXACT NUMBER OF DEAD AND WOUNDED IN THE CONFLICT HAS BEEN DIFFICULT, WITH RUSSIA AND UKRAINE DECLINING

THE LOSSES ARE CAUSING

PROBLEMS FOR RUSSIA AS IT USES WAVES OF POORLY TRAINED SOLDIERS TO TRY TO ADVANCE IN UKRAINE'S EAST WHILE ALSO TRYING TO COUNTER A RECENT UKRAINIAN INCURSION IN THE KURSK REGION.

BUT THEY ARE SIGNIFICANTLY MORE DAMAGING FOR UKRAINE, WITH A POPULATION LESS THAN A QUARTER THE SIZE OF ITS GIANT NEIGHBOR'S.

THE HIGH—AND FAST-RISING—TOLLS ON BOTH SIDES HIGHLIGHT WHAT WILL BE A DEVASTATING LONG-TERM EFFECT FOR COUNTRIES

THAT WERE STRUGGLING WITH POPULATION DECLINES BEFORE THE WAR MAINLY BECAUSE OF ECONOMIC TURMOIL AND SOCIAL UPHEAVALS. THEY ALSO ILLUMINATE ONE OF RUSSIAN PRESIDENT VLADIMIR PUTIN'S OWN MOTIVATIONS BEHIND LAUNCHING THE INVASION IN 2022: TO BOOST RUSSIA'S POPULATION BY ABSORBING UKRAINIANS. RUSSIA'S INVASIONS

Please turn to page A7

◆ **Russia sells grain stolen from Ukraine..... A6**

Tesla's Fast-Charger Growth Slows Down

BY BECKY PETERSON

TESLA'S EXPANSION OF ITS SUPERCHARGER NETWORK HAS SLOWED IN RECENT MONTHS, AFTER WIDESPREAD LAYOFFS IN APRIL GUTTED THE TEAM RESPONSIBLE FOR INSTALLING NEW ELECTRIC-CAR CHARGERS AND STATIONS.

WHILE TESLA HAS BEEN TRYING TO REBUILD THE GROUP, INCLUDING REHIRING SOME EMPLOYEES PREVIOUSLY LET GO, THE NUMBER OF NEW SUPERCHARGER PORTS OPENED IN MAY THROUGH AUGUST FELL 28% FROM THE SAME PERIOD A YEAR EARLIER, ACCORDING TO EV ANALYTICS FIRM EVADOPTION.

FOR THE FIRST EIGHT MONTHS OF THIS YEAR, THAT NUMBER WAS DOWN 11% FROM 2023, THE FIRM'S DATA SHOW. THE DECLINE COMES AS THE ELECTRIC-CAR

Please turn to page A5

MAKER HAS RECEIVED MILLIONS OF DOLLARS IN GOVERNMENT FUNDING THIS SUMMER TO INSTALL NEW CHARGERS IN STATES INCLUDING MARYLAND AND ARIZONA.

TESLA IS UNDER PRESSURE TO EXPAND ITS NETWORK OF FAST CHARGERS AND OPEN IT TO A WIDER ARRAY OF DRIVERS, INCLUDING THOSE WITH NON-TESLA VEHICLES.

FORD MOTOR AND RIVIAN AUTOMOTIVE ALREADY HAVE ACCESS TO TESLA'S PLUG-IN TECHNOLOGY AND SEVERAL OTHER CAR COMPANIES HAVE FORGED AGREEMENTS TO USE THE CHARGERS FOR THEIR OWN CUSTOMERS, A SHIFT THAT COULD HELP BROADEN THE ONCE-EXCLUSIVE SERVICE.

THE ROLLOUT TO OTHER AUTOMAKERS HAS RUN INTO SOME OBSTACLES THIS YEAR, Owing IN PART

Please turn to page A5

INSIDE



ANDREW SOKOLOW/DPA/ZUMA PRESS

JOANNA STERN

APPLE'S IOS 18 SOFTWARE UPDATE HAS IT ALL—EXCEPT FOR THE AI.

JASON GAY

Miami quarterback Tua Tagovailoa has a life decision to make—not a football one.

An Unlikely Group Of Home Renters Rises: Millionaires

BY GINA HEEB
AND PAUL OVERBERG

GOOGNIN SAID. INSTEAD, HE IS RENTING A THREE-BEDROOM APARTMENT IN A LUXURY MANHATTAN HIGH-RISE FOR ABOUT \$19,000 A MONTH.

GOOGNIN IS A PART OF AN EMERGING GROUP OF UNLIKELY RENTERS: MILLIONAIRES. WHILE STILL RELATIVELY SMALL IN NUMBER, MILLIONAIRE RENTERS IN THE U.S. ARE ON THE RISE, A REFLECTION OF HOW THE CALCULUS AROUND HOME OWNERSHIP HAS CHANGED FOR EVEN THE WEALTHIEST IN THE U.S.

BETWEEN 2018 AND 2022, THE SHARE OF HOUSEHOLDS WITH ANNUAL INCOMES OF MORE THAN \$750,000 THAT RENTED ROSE TO 10.5%, ACCORDING TO CENSUS

Please turn to page A2

Tiny Plastic Employees Are Lego Hit

* * *

Collectors bug workers for their business cards

BY KIM MACKRAEL

MICHAEL RENVILLARD WAS BACKSTAGE AT A NEW YORK CITY FESTIVAL FEATURING ALICIA KEYS AND HUGH JACKMAN WHEN THE LONGTIME LEGO REPRESENTATIVE NOTICED SOMETHING ODD.

STRANGERS WERE BYPASSING CELEBRITIES AND APPROACHING HIM.

"THEY WERE WONDERING IF I HAD ONE OF THOSE FUNNY BUSINESS CARDS," HE RECALLS.

WITHIN MINUTES, HE HAD EMPTIED HIS POCKET OF A DOZEN OR SO TINY LEGO FIGURES DESIGNED TO LOOK LIKE HIM—with his name and the company logo on the chest and his phone number and email on the back.

“BUT THEY KEEP COMING BACK. THEY HAVE NO OTHER CHOICE.

Rape Crisis Unfolds In Congo's War

Brutal sexual violence rises as international attention wanes

BY GABRIELE STEINHAUSER

GOMA, CONGO—THE WOMEN WALK IN SILENCE, THEIR FLIP FLOPS TAPPING THE BLACK VOLCANIC ROCKS. ON OPEN STRETCHES OF THEIR FIVE-HOUR MARCH, THEY QUIETLY TRADE STORIES, THE ONLY WAY TO STEEL THEMSELVES FOR THE DANGERS THEY KNOW ARE LOOMING IN THE THICKET.

“EACH OF THE WOMEN HAS BEEN RAPED ON THIS PATH, SOME ONCE, SOME TWICE, SOME THREE TIMES. ONE WAS RAPED WHILE HER BABY LAY ON THE GROUND BE-SIDE HER, CRYING. ANOTHER WAS PUSHED TO THE GROUND FOR HOURS BY TWO MEN ARMED WITH KNIVES AND MACHETES. THEY HAVE EACH HEARD THE MUFFLED SCREAMS OF THEIR FRIENDS BEING ASSAULTED NEARBY.

“BUT THEY KEEP COMING BACK. THEY HAVE NO OTHER CHOICE.

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U.S. NEWS

Nippon Steel Finds Unlikely Ally: Pittsburgh Workers

WEST MIFFLIN, Pa.—Former President Donald Trump and Vice President Kamala Harris have found agreement on one issue: opposing the

By Kris Maher, Bob Tita and Aaron Zitner

\$14.1 billion sale of U.S. Steel, one of America's most storied corporations, to Nippon Steel of Japan.

But outside Pittsburgh, in Monongahela River valley towns where steel is still made, some workers and officials say the rhetoric is disconnected from what is happening on the ground.

"I would bet that none of the national politicians have seen what I've seen and have not talked to these local workers," said West Mifflin Mayor Chris Kelly, who works at a desk in his garage beside a plaque reading, "Hours: Anytime." His town's U.S. Steel mill employs 800 workers who flatten glowing slabs of steel into sheet steel that is wound into giant coils. "This is nothing but politics," he added.

The potential sale looks different to many who battle blight and population loss after decades of plant closings, including by U.S. Steel. Some say fears of foreign ownership are overblown and the deal with deep-pocketed Nippon Steel offers the best chance to keep steel industry jobs in the region, and communities from being erased.

As Trump and Harris crisscross the nation's biggest swing state, opposing the deal has come to signal their support for domestic manufacturing and concern for working-class voters.

President Biden, who has been expected to block the deal, now appears to be delaying that decision, according to a person familiar with the matter. Biden believes it is "vital that U.S. Steel is to remain an American steel company" and awaits a national-security review, a White House spokeswoman said Friday.

Harris and Trump have said U.S. Steel should remain in do-



Clockwise from above: U.S. Steel's Clairton Coke Works, North America's largest coking coal plant, provides 30% of Clairton, Pa.'s tax revenue; mayors Chris Kelly of West Mifflin and Delia Lennon-Winstead of Braddock both back the sale of U.S. Steel to Nippon Steel.



mestic hands. All four senators from Pennsylvania and Ohio, including Sen. John Fetterman, who lives across the street from a U.S. Steel plant, have also opposed the merger.

United Steelworkers' leaders have fought the deal since its December announcement. The union, backing a rival offer from Ohio-based Cleveland-Cliffs, contends Nippon Steel could reduce production at U.S. Steel plants and substitute cheaper steel imported from its mills elsewhere, particularly India. It also worries about Nippon Steel honoring its existing labor contract.

U.S. Steel Chief Executive Dave Burritt recently escalated the stakes, threatening to close the company's Mon Valley Works—three Pittsburgh-area plants employing more than 3,000 workers—if the sale collapses. Burritt added U.S. Steel's corporate offices would likely relocate near a mill in Arkansas if Mon Valley closes.

This raises a once-unthinkable possibility: For the first time in more than a century, U.S. Steel would no longer have a presence in Pittsburgh. Kelly, the mayor of West Mifflin, and other local officials are asking Pennsylvania Gov.

Josh Shapiro to get the Biden administration to hear their concerns. A spokesman said the governor has been communicating with all parties involved and his priority is protecting Pennsylvania workers.

For Kelly, the effort transcends politics: He was the police chief in nearby Homestead when U.S. Steel closed a large mill there 40 years ago. Residents' despair from the closure, he said, caused an uptick in suicides and addictions.

U.S. Steel and Nippon Steel have intensified lobbying. Nippon Vice Chairman Takahiro Mori recently met with U.S.

A Steelmaker And Its City

Pittsburgh's bond with U.S. Steel runs deep.

Founded in 1901, the company was among the first to reach \$1 billion in market value, and in 1943 its companywide workforce exceeded 340,000, studies show. U.S. Steel jobs supported generations of Pittsburgh families. Today the company employs about 14,000 people in North America, including some 4,000 in Pennsylvania.

The company's legacy permeates Pittsburgh through names of parks, museums and libraries—and on the Pittsburgh Steelers' football helmets, which feature the three-diamond design created by U.S. Steel.

The U.S. Steel Tower is downtown's tallest building, but today symbolizes the rising prominence of robotics, biomedical research and AI, driven by Carnegie Mellon University and the University of Pittsburgh. It now bears the logo of healthcare provider and insurer UPMC.

regulators. Ads running in Pittsburgh urge they "keep steel jobs in steel city."

The industry's realities are stark in the Monongahela River valley, where much of America's steel was once made. In the 1980s, when old mills succumbed to competition from foreign steelmakers and more efficient domestic ones, entire buildings were carted off or left to rust.

Nippon Steel has pledged to invest \$2.7 billion in U.S. Steel's older plants, including Mon Valley Works. This comes after U.S. Steel scrapped its own plan in 2021 to invest more

than \$1 billion there to upgrade production equipment and improve air emissions, a problem drawing millions of dollars in fines over the past decade.

In Braddock, the Edgar Thomson plant is among the world's oldest mills, producing steel from liquid iron heated in blast furnaces.

Braddock Mayor Delia Lennon-Winstead backs the deal and said presidential candidates who oppose it should provide another solution. "Do they actually walk these streets and live in this area?" she said. "Do they know the devastation of closing the mill, what it would do to this area?"

Claifton Mayor Rich Lattanzi, who retired after 30 years as a welder and pipe fitter at West Mifflin's plant, said he supports the deal. He thinks union leadership will eventually come around. "It's not going to be love at first sight," he said. Lattanzi said his town of 6,200, down from about 20,000 in 1950, receives 30% of its tax revenue from U.S. Steel's Clairton Coke Works, North America's largest coking coal plant. Its closure, he said, would "take us off the map."

Don Furko, 50, a mechanical maintenance planner at Clairton's plant, joined U.S. Steel in 2000, shortly after his father retired from there. After bargaining alongside union leadership, he trusts their opposition to the deal. "I'm going to back what they say."

Others, such as Jason Zugai, 47, vice president of the steelworkers local for West Mifflin's plant, disagree with top union brass. "We're not on the same page as the leaders," he said. "They'd still have jobs if the plant gets shut down."

—Alexander Ward
and Andrew Restuccia
contributed to this article.

Listen to a Podcast

Scan this code for a podcast on the fight over Nippon's deal for U.S. Steel.

Millionaire Renters Are On the Rise

Continued from Page One
data from IPUMS at the University of Minnesota analyzed by The Wall Street Journal, the highest level since the survey began in the mid-2000s. It was 8.4% in the previous five-year period.

For households whose net worth ranked in the top 5%, the share of renters rose to 3.7% in 2022, according to the Federal Reserve's Survey of Consumer Finances. That was the highest level since the early 1990s.

"That's a funny conversation we have with a lot of our clients," who say "Wow, I have all this money and I can't find a house," said Ruthie Assouline, co-leader of a Douglas Elliman Real Estate team that specializes in luxury sales in New York and Miami.

The conveyor belt of homes that go on and off the market has slowed dramatically since the Fed started to raise interest rates in 2022. Mortgage rates have roughly doubled since then, leaving many would-be sellers stuck in place. Supply has been on the rise in recent months but has remained below prepandemic levels.

That shortage has pushed home prices to record highs. Together, steep prices and



George Goognin decided to rent in a Manhattan high-rise. Luxury buildings cater to 'forever renters' with features such as a lounge and children's playroom at the Anagram in New York's Columbus Circle area.

higher rates have made it less affordable than just about any other time to buy a home. It is cheaper to rent than to buy in all of the top 50 metro areas, according to a recent Bankrate study.

Changes in the math

Millionaires are hardly a concern when it comes to an affordability crisis that has put homeownership out of reach for millions of people in the U.S. They often have a choice of whether or not to rent. They also have other avenues avail-

able to build wealth—through the stock market or investment properties—whereas many people rely on homeownership to do so.

But the rise in the share of millionaire renters signals a broad recalibration in the way some people in the U.S. think about homeownership.

A lot of it still comes down to the math, even for millionaires.

Some would rather keep cash in the stock market and other investments, with home prices and transaction fees elevated. High borrowing rates can still be painful for those who don't need to take out a mortgage but would prefer to for investment reasons. Banks used to offer lower mortgage rates on jumbo loans, but that has reversed over the past year. High rates are less of a factor for all-cash buyers but still keep the market locked up.

Other costs of homeownership also have risen sharply. Property taxes have been on the rise across much of the country. Insurance premiums have soared, especially in the coastal markets where mansions often sit.

New York real-estate firm



Dases sold the house. The 30-somethings decided to rent indefinitely at a nearby high-rise, a break from months of unexpected renovation and maintenance issues at the house. The added costs—as high as thousands of dollars a month on top of a \$5,000 mortgage payment—were less of a problem for the Dases than the time it had started to consume.

"We steadily began to realize the magnitude of the task ahead of us, not even in terms of financial resources, but just time and effort and coordination," Das said. "The hour that we can save a day, it's time that we can spend with

rentals that go for \$20,000 or more a month. That is far higher than it has been over the years," said senior partner Matthew Lesser.

Other millionaires who choose to rent are driven more by flexibility and convenience than by finances.

Biotech executive Arun Das and his wife launched a major renovation on their first home in mid-2023 that was expected to take at least a year. At first, the wait seemed worth it for the 19th-century Philadelphia row house: a five-bedroom, five-bath in the prime Rittenhouse Square neighborhood.

But less than halfway through the renovation, the Dases sold the house. The 30-somethings decided to rent indefinitely at a nearby high-rise, a break from months of unexpected renovation and maintenance issues at the house. The added costs—as high as thousands of dollars a month on top of a \$5,000 mortgage payment—were less of a problem for the Dases than the time it had started to consume.

"We steadily began to realize the magnitude of the task ahead of us, not even in terms of financial resources, but just time and effort and coordination," Das said. "The hour that we can save a day, it's time that we can spend with

the kids or to have a glass of wine together."

McMansion features

The luxury rental industry has sought to seize on the market shift. Philadelphia-based developer Post Brothers, which worked on the high-rise where the Dases live, designs some properties to cater to "forever renters," particularly higher-income ones.

It started to build larger floor plans, mudrooms and playrooms—"the kind of features that people expect in a new McMansion," said Michael Pestronk, co-founder and chief executive of Post Brothers.

For some millionaires, especially younger ones, homeownership isn't out of the question. But it is delayed.

Nick Chibbaro, a 28-year-old who works in sales and trading in New York, and his fiancée recently postponed plans to buy a house in the suburbs. The couple decided to sign a lease at a luxury apartment in the Financial District. They still hope to buy a home once rates go down "meaningfully."

"I do think a lot more people are renting for longer and are OK with that," Chibbaro said. "The current climate is extremely prohibitive."

Brainard Sees 'Turning Point' In Economy

BY NICK TIMIRAO

A top White House adviser declared Monday that the U.S. economy has reached "an important turning point" in which the inflation surge of the past three years has largely ended.

Lael Brainard, the director of the National Economic Council, said with inflation under control, "it is important to safeguard the important labor market progress we have made," in remarks at the Council on Foreign Relations in New York on Monday.

Her remarks come two days before the Federal Reserve is likely to cut interest rates, in a bid to prevent past increases from causing unnecessary economic weakness.

Brainard served as vice chair of the Fed from 2022 until early 2023, when she left to become President Biden's top economic adviser. Her remarks echo those of other senior U.S. policymakers recently concluding that the inflation of 2021-23 reflected a series of shocks and didn't require a sustained period of economic slack, including higher unemployment, to bring price pressures down.

"Many were convinced that the combination of a large decline in inflation with a sustained expansion that we are seeing today couldn't happen," said Brainard. "The fact that comparable countries experienced the same surge in inflation, while the recovery was stronger in the U.S., suggests that government policy differences mattered."

SAUL LOEB/AFP/Getty Images

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U.S. NEWS



Tammy Peshoff's home in Cameron, La., was rebuilt by Mennonite volunteers after it was damaged by Hurricane Ike in 2008. At right, the Venture Global facility in Cameron.



MARK FELIX FOR WSJ (2)

Gas-Export Hub Is Magnet for Hurricanes

Residents are leaving coastal Cameron, La., as storms take a toll and industry moves in

By BOÉT MORENNE

CAMERON, La.—As hurricane after hurricane battered this marshy patch of Louisiana, businesses and residents have all but deserted it, with one big exception: multibillion-dollar plants that export natural gas.

Since 2005, four major hurricanes and a handful of smaller ones have hit Cameron Parish, halving its population to fewer than 5,000 people. Last week, Hurricane Francine made landfall nearby, initially prompting an evacuation order before it tracked farther east.

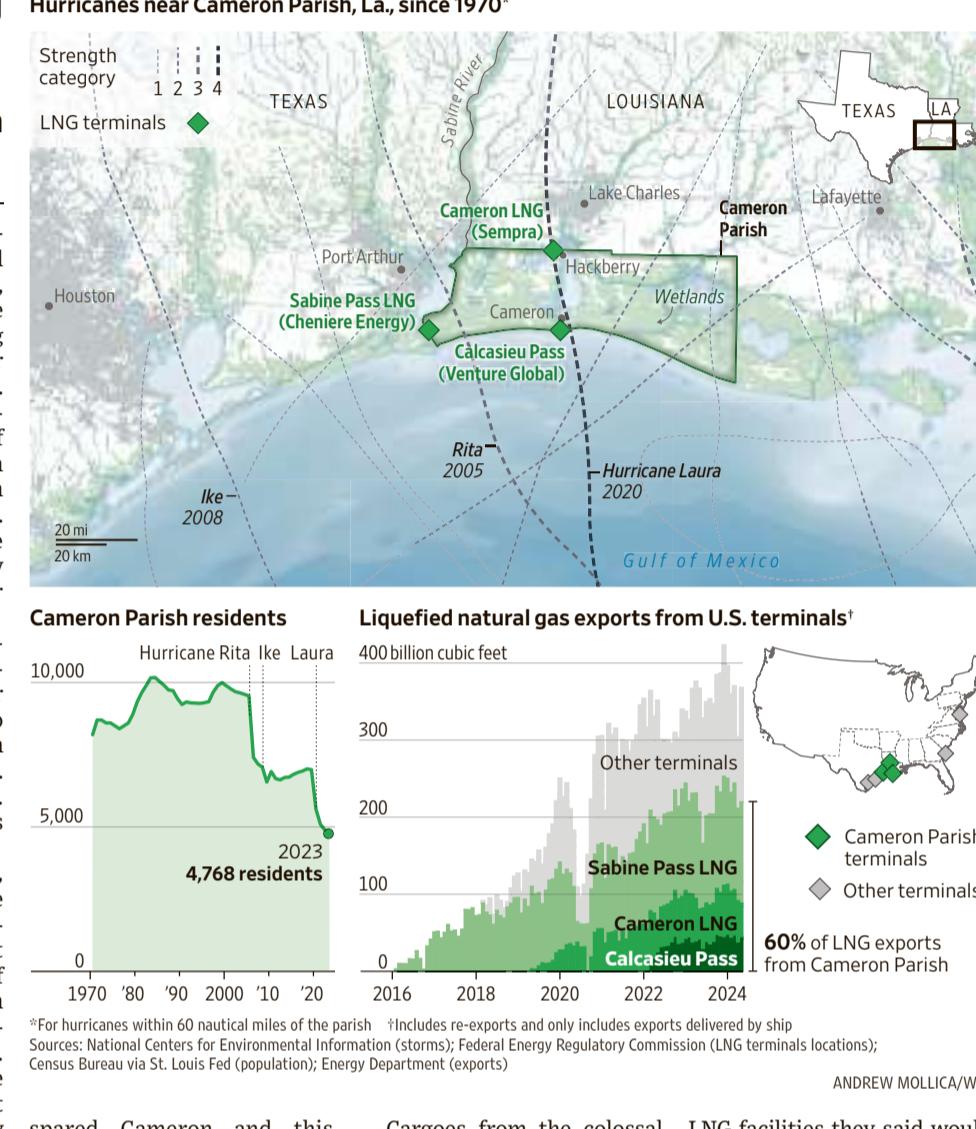
The parish seat has no hospital or grocery stores. Windows are boarded up, and "For sale" signs are ubiquitous. No seniors will be graduating from a local high school next year. Yet, about two-thirds of all U.S. exports of liquefied natural gas depart from the parish.

From her kitchen window, Tammy Peshoff can see the 26½-foot wall shielding Venture Global's \$4.5 billion plant from hurricanes. It is one of three terminals in the parish that churn out liquefied natural gas for shipborne export. Since 2016, the plants have transformed one of the most vulnerable parts of the country to hurricanes into the global epicenter of the LNG trade. More plants are planned.

No insurance

Mennonite volunteers rebuilt Peshoff's elevated home after Hurricane Ike in 2008. The 62-year-old retiree can't afford home insurance, but unlike many of her neighbors, she has declined Venture Global's offer to buy her out of her property. The company recently got federal approval to build a second, \$10 billion facility right in her backyard.

Peshoff stayed put for Francis—which mostly



*For hurricanes within 60 nautical miles of the parish. †Includes re-exports and only includes exports delivered by ship.

Sources: National Centers for Environmental Information (storms); Federal Energy Regulatory Commission (LNG terminals locations); Census Bureau via St. Louis Fed (population); Energy Department (exports)

ANDREW MOLICA/WSJ

spared Cameron—and this year's hurricane season so far has been far tamer than scientists predicted.

"Eventually, I'm sure they'll want all this area here," she said while driving a green pickup down the narrow roads where her family once lived. "I plan to stay till the very end."

Cameron Parish is known as a hunting and fishing paradise, but it also has features gas exporters crave. Pipelines bring cheap natural gas from northern Louisiana and West Texas, nearby coastal waters are deep enough to accommodate large LNG tankers and the parish welcomes oil-and-gas companies with open arms.

Cargoes from the colossal LNG plants are shipped to Europe and Asia, a trade that has burnished the U.S.'s status as an energy powerhouse. Venture Global, Cheniere Energy and Sempra netted billions of dollars selling molecules of gas after Russia invaded Ukraine in 2022 and European gas prices soared.

Now the companies and the shrinking communities hosting them are on divergent paths. Some worry Cameron eventually will become the exclusive domain of "the LNGs," as the companies are known locally.

Last December, 170 scientists signed a letter urging President Biden to reject new

LNG facilities they said would add billions of tons of greenhouse gas emissions. The Intergovernmental Panel on Climate Change considers it likely that warming temperatures, in large part driven by burning fossil fuels, will bring more ferocious hurricanes that drop more rain and pack faster winds.

Environmental activists successfully pressured Biden into pausing federal approvals of new exports earlier this year.

The LNG companies operating in Cameron Parish say they create hundreds of good-paying jobs and will pay billions of dollars in property taxes. They say their product helps reduce greenhouse gas emissions by

phasing out coal. Burning coal produces about twice as much carbon dioxide as burning natural gas.

In statements to The Wall Street Journal, the companies said they are focused on safety, environmental stewardship and supporting the communities in which they operate.

In politically conservative Cameron, many are proud to call the parish the LNG capital of the world. They note the companies provide jobs that pay six figures and help keep the few remaining businesses afloat.

Still, a sense of unease has crept in. The perks of hosting some of the largest infrastruc-

ture projects in the world have been slow to materialize, and hurricanes continue to rage.

Tim Dupont, the South Cameron Fire Chief, said he discussed adopting a sales tax with local officials years ago, when companies first laid out their plans, but the idea went nowhere. He said he thought sales-tax revenue could have been used to build a levee and forestall the worst of the hurricanes. "It's a missed opportunity," he said.

When the tax exemptions start rolling off in 2027, the parish is set to collect a gusher of cash, and local officials may lower property taxes for residents as a result. The cuts would lower taxes for the LNG companies, too, once the exemptions expire.

Few students left

For now, residents continue to leave. Before Hurricane Rita knocked down South Cameron High School in 2005, about 90 seniors graduated from the school. At a recent graduation ceremony, only 10 students sat on a stage in front of a small crowd of relatives in the cavernous brick building built to replace the school.

Clad in blue gowns, they collectively received about \$6,000 in scholarships from Sempra. They were also handed a \$50 gift card for Lighthouse Bend, a restaurant and convenience store Venture Global opened in Cameron earlier this year. Venture Global said this month it would donate \$6 million over the next three years to increase schoolteacher and staff pay by about 15%.

Stephanie Rogers, the recently retired Cameron Parish School Board supervisor, said there soon wouldn't be enough students to award scholarships to. The school has been bleeding students to communities closer to Lake Charles, a city of about 85,000 people that provides what Cameron can't—jobs, entertainment, and to some degree, protection from extreme weather.

Ex-FDNY Chiefs Charged With Bribery

By JAMES FANELLI
AND CORINNE RAMEY



U.S. Attorney Damian Williams alleging the bribery scheme

Two former New York City fire chiefs were charged on Monday with accepting tens of thousands of dollars in bribes in exchange for expediting safety inspections—marking the latest corruption case to hit the administration of Mayor Eric Adams.

The Manhattan U.S. attorney's office alleges that Anthony Saccavino and Brian Cordasco fast-tracked required safety-plan reviews and inspections of hotels, apartment buildings and restaurants between 2021 and 2023.

A third official, Henry Santiago Jr., a retired Fire Department of New York chief who pleaded guilty and is cooperating with the government, ran an expediting business and told customers he could help fast-track their projects in exchange for payment. Saccavino and Cordasco were secret partners in the expediting business as well, according to federal prosecutors. Santiago would give the defendants cash payments for their help, sometimes over steakhouse dinners or in their FDNY offices, prosecutors said.

"They allegedly created a VIP lane for faster service that could only be accessed with bribes," said Manhattan U.S. Attorney Damian Williams. "That's classic pay-to-play corruption."

Saccavino and Cordasco were charged with bribery and fraud. They and Santiago collectively received \$190,000 in bribes, prosecutors said. A lawyer for Saccavino called the allegations surprising and distressing and said his client would vigorously contest the charges. A lawyer for Cordasco didn't respond to a request for comment.

Adams, a Democrat, had his own phones seized last year as part of a separate federal investigation into whether Turkish money was funneled into his campaign through illegal donations. The mayor hasn't been accused of any wrongdoing, and it is unclear if any of the investigations will lead to indictments.

The corruption case comes as four federal investigations are examining members of the mayor's inner circle and his campaign's fundraising. Some of his top advisers had their

homes searched this month. One investigation led to the resignation of the New York Police Department commissioner last week. Last year, a former city Department of Buildings commissioner was charged in state court with a bribery scheme for using his position to aid associates in exchange for money. He has pleaded not guilty.

Adams has said he is cooperating with the investigations. "Every member of the administration knows my expectation that we must all follow the law," he said last week.

In the Saccavino and Cordasco indictment, federal prosecutors allege that City Hall officials also provided the two men a list of building projects for the FDNY to give priority to for safety-plan reviews and inspections. The then-fire chiefs would sometimes pressure other FDNY officials to expedite certain projects by falsely claiming they were on the City Hall list, prosecutors said. In actuality, the projects were ones where the defendants collected bribes, according to the indictment.

Buildings and commercial businesses often need FDNY approval of their fire-safety plans before they can open to the public. However, the Covid-19 pandemic created a backlog of reviews and inspections for the FDNY, leading to wait times of up to 16 weeks, according to prosecutors. When Saccavino and Cordasco became high-ranking officials in the FDNY's Bureau of Fire Prevention, they used their positions to fast track at least 30 different projects.



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U.S. NEWS

Suspect's Kyiv Activities Prompted Warnings

Routh's 'predatory behavior,' talk of killing Putin alarmed fellow Americans

The gunman suspected of attempting to assassinate former President Donald Trump acted so erratically during his years as a pro-Ukraine activist that other Americans who en-

By Jane Lytvynenko in Kyiv, Deborah Acosta in West Palm Beach, Fla., and Vera Bergengruen in Washington

countered him flagged his behavior to U.S. authorities.

Ryan Wesley Routh was taken into custody in Florida on Sunday after Secret Service personnel spotted and opened fire at a man pointing a rifle through the fence at a club where Trump was golfing.

During Routh's time in Ukraine, where he traveled shortly after the Russian inva-



Chelsea Walsh told reported concerns over Ryan Wesley Routh.

alarmed her, she recounted. Under the heading "Overall Predatory Behavior (or antisocial traits)" were four names. Routh's was at the top.

When the officer noted that there were a lot of names, she replied, "Of all the people on there, Ryan Routh should be number one," Walsh told The Wall Street Journal, which reviewed her notebook.

Customs and Border Protection didn't respond to inquiries about the meeting.

Routh's behavior had been flagged to the Federal Bureau of Investigation in the past, though not in connection to Ukraine. A tipster told the FBI in 2019 that Routh had a firearm despite being a felon, but when questioned further wouldn't verify providing the information, an FBI official said Monday. The bureau passed the information onto authorities in Honolulu, where Routh was living at the time, and closed the investigation.

His activities related to Ukraine brought him to the attention of a large group of

view at Washington's Dulles airport in June 2022.

Walsh told the officer during the interview, which took place after she returned to the U.S., that Routh was among the most dangerous Americans she met during her month-and-a-half stint in Ukraine.

She showed the officer a notebook listing more than dozen names of Americans and others whose actions had

people, many of whom quickly grew suspicious.

Routh was well known among volunteer aid groups in Ukraine as a "fraudster" and "kind of a whack job," said Sarah Adams, a former CIA officer who helped run a network that linked 50 aid groups to share information and coordinate humanitarian and volunteer efforts.

He claimed to be working with the Ukrainian government to recruit foreign fighters but wasn't, she said.

Aid groups banned him from their Signal groups, and reported his activities to the State Department, noting their concerns that he might be engaging in human trafficking or immigration fraud, according to Adams.

The State Department didn't respond to a request for comment.

"A lot of people were trying to get him to stop his activities, or at least prevent people from falling for his scams," Adams said.

In Kyiv, Routh dyed his hair

blue and yellow, the colors of the Ukrainian flag, and frequently wore an American-flag T-shirt. He put up official-looking posters around Kyiv urging foreigners looking for ways to aid Ukraine to text him.

A French man who traveled to Ukraine intending to fight said Routh helped secure him a spot in a Ukrainian army unit. However, he recalled the American voicing bitter anger at Trump when they met over beers in Kyiv in 2022.

"Ryan was very upset about the fact that Trump was trying to negotiate a deal with Putin instead of trying to really have Ukraine's back," said the man, who asked not to be identified.

Walsh, the nurse from West Palm Beach, said Routh talked about wanting to kill Russian President Vladimir Putin and North Korea's leader Kim Jong Un. She said he also mentioned Trump and President Biden, but couldn't recall if he threatened them.

—Sadia Gurman contributed to this article.

Would-Be Fighter Sought To Join Overseas Causes, Wrote of Anger at Trump

BY BRETT FORREST

Ryan Wesley Routh, the man arrested in connection with an apparent attempt to shoot Donald Trump on Sunday, urged in a self-published book the assassination of Trump over the former president's decision to withdraw from a diplomatic agreement restricting Tehran's nuclear program.

The 2023 book, a rambling diary of Routh's attempts to join Ukraine's fight against Russia and his political views, describes his growing disillusionment with Trump as well his anger at the 2021 U.S. exit from Afghanistan and other foreign-policy decisions he describes as blunders.

"I must take part of the blame for the retarded child that we elected for our next president that ended up being brainless, but I am man enough to say that I misjudged and made a terrible mistake and Iran I apologize," Routh wrote, criticizing Trump for leaving the deal, known as the Joint Comprehensive Plan of Action, in 2018.

"You are free to assassinate Trump as well as me for that error in judgment and the dismantling of the deal," he said in a passage apparently directed at Iran's government. "No one here in the US seems to have the balls to put natural selection to work or even unnatural selection."

Routh lauded Obama administration officials for the 2015 landmark deal with Iran to limit the development of Teh-

ran's nuclear-weapons program, which Routh said had "elated" him.

Fight Russia

Before his arrest, Routh had been seeking to recruit volunteers to fight in Ukraine, posting on social media about his willingness to fight Russia's invasion and even traveling to Ukraine's capital, Kyiv, two years ago. He had lived through years of apparent turmoil, brushes with the law, and failed attempts to link himself to some larger purpose, according to public records, social-media posts and interviews with people who know him.

When Russia executed a full-scale invasion of Ukraine in early 2022, Routh appeared to find his cause. On the day of the invasion, he dispatched a series of tweets soliciting media coverage for his effort to encourage non-Ukrainians to travel to the country to take up arms, saying that he himself was ready to "fight and die" on behalf of Kyiv.

"We need to burn the Kremlin to the ground and put an end to Putin and Russia," he wrote, referring to Russian President Vladimir Putin.

Routh arrived in Kyiv in April 2022. The city was largely deserted, and he sought connections with other Westerners who had come to lend a hand. He stood out, often wearing an American flag T-shirt or bandanna, according to people who knew him in Ukraine.

That April, he tweeted at

the official account of Ukrainian President Volodymyr Zelensky, saying that he was in Kyiv and planned to erect a tent city in the capital to attract foreign fighters. "We can raise great support and equipment," he wrote.

Routh tweeted a photo of himself in Kyiv's Independence Square in front of a banner soliciting foreign volunteers and fighters.

"This conflict is definitely black and white," Routh said in a 2022 interview with the Romanian version of Newsweek. "This is about good versus evil."

He didn't serve in the U.S. military, he told Newsweek's Romanian outlet. In Ukraine, he was rejected from military service, according to two people who knew him there. Routh subsequently put his efforts into recruiting people to join Ukraine's International Legion.

"That was his main task—that he assigned to himself," said Chris Lutz, a German humanitarian volunteer who knew Routh in Ukraine. "He wasn't officially assigned by the armed forces of Ukraine. It was just kind of his personal mission to do so."

Clash in Kyiv

On Routh's website, he wrote that "losing this war isn't an option" and implored citizens around the world "to join this fight." But in his discussions in Kyiv, Routh lacked clarity of thought and had trouble holding his audience, as he would leap from one topic



Ryan Wesley Routh taking part in a rally in Kyiv, Ukraine, in April 2022.

to another.

Routh clashed with Ukraine's International Legion, whose officials believed he was claiming an affiliation with the group.

"Ryan Wesley Routh has never been part of, associated with, or linked to the International Legion in any capacity," a legion spokesperson said. "Any claims or suggestions indicating otherwise are entirely inaccurate."

Frustrated by his inability to penetrate military circles in Ukraine, Routh redirected his efforts to defense production and arms imports. He tried to make deals for drone production in Ukraine and made trips to neighboring countries, seek-

ing to involve himself in discussions about arms exports, according to Johnny Rogers, an American who worked for a medical NGO in Ukraine.

"He went from wearing the American flag all the time, with crazy hair, to a suit," Rogers said. "When he was in the suit mode, he was actively trying to get defense deals. He was trying every single angle he could to do military stuff. He wanted to be a player."

Routh attended North Carolina Agricultural and Technical State University until 1998, studying mechanical engineering, according to his LinkedIn profile.

He contributed roughly \$140 total to Democratic candidates

in 2019 and 2020, federal data show, including \$25 for former Rep. Beto O'Rourke (D., Texas) and \$15 for Democratic presidential hopeful Andrew Yang.

North Carolina records show that Routh had a long list of traffic misdemeanors. He pleaded guilty in North Carolina to larceny in 1997.

In 2002, Routh was convicted of possessing a weapon of mass destruction, according to North Carolina records. A story in Greensboro, N.C., News & Record said Routh was apprehended with an automatic machine gun after a standoff with police.

—Joel Schectman and Jack Gillum contributed to this article.

Assailant Hid, Waited For Hours

Continued from Page One
death and destruction"—that would have barred him from owning a gun.

Routh, 58 years old, appeared Monday in federal court in West Palm Beach, Fla. In addition to charges of possessing a firearm despite being a felon, he was charged with having a firearm with a wiped-out serial number, which has made it difficult for law enforcement to determine how he acquired the gun. Investigators were trying to restore the serial number so they could trace it, an official familiar with the probe said.

The Federal Bureau of Investigation is investigating the incident as an assassination attempt, the second threat on Trump's life in as many months. Investigators have turned up no evidence that Routh had accomplices, said a senior FBI official, who noted the probe was in its early stages.

The close call comes as the public is increasingly on edge amid growing threats of politically motivated violence ahead

of November's election. Evidence that the gunman went unnoticed near the premises for hours also raises fresh doubts about the Secret Service's ability to protect both presidential candidates during such a volatile campaign season.

In July, the agency failed to stop a 20-year-old gunman from opening fire at Trump from a rooftop during a campaign rally in western Pennsylvania. A spectator was killed, and Trump was grazed by a bullet in the ear.

The back-to-back episodes have also spurred more calls to increase the former president's security; officials have said the perimeter of the golf course would have been more tightly secured if Trump were the sitting commander in chief.

"We put together a security plan, and that security plan worked," acting Secret Service Director Ronald Rowe said.

On Monday, law-enforcement officials cordoned off a road next to the golf course's fence line where the alleged shooter likely positioned himself. It is unclear where Routh might have parked and waited; the owner of a nearby gas station said that police confiscated a hard drive containing several hours of surveillance footage on Sunday.

Authorities don't think Routh fired a shot, officials

said, but the Secret Service agent—who was one or two holes ahead of Trump on the course—spotted the rifle barrel in the tree line and fired. Routh had been about 400 yards away from the GOP presidential nominee, but didn't have a direct line of sight to him, officials said. He sped off in a black Nissan Xterra but was captured soon after as he fled north on Interstate 95.

Authorities found the loaded semiautomatic SKS-style rifle with a scope and an unreadable serial number, two backpacks and a bag of food in the area where the suspect had been hiding near the course, according to the complaint. The SKS, which is similar to an AK-47, isn't manufactured in Florida, according to the complaint.

Investigators also found a GoPro portable video camera, suggesting Routh had planned to film himself during his planned attack.

Routh easily surrendered and told a sheriff's deputy that he knew why he had been stopped, the document said. The license plate on the Nissan was registered to a white 2012 Ford truck that had been reported stolen.

Investigators were trying to determine Routh's motive, what he was doing in the days and weeks before the encounter, and also how he knew



A rifle and two bags were pictured by a fence after the Secret Service foiled an apparent assassination attempt on former President Donald Trump in Florida.

Trump would be on the golf course at that time.

"Our FBI agents attempted to interview him, and he invoked his right to an attorney," said Jeffrey Veltri, special agent in charge of the FBI's Miami field office.

Investigators are examining Routh's social-media accounts, which indicated he had a fixation with the war in Ukraine. Law-enforcement officials pointed to a now-suspended X account in which Routh espoused a muddle of political views. He said he voted for

Trump in 2016 but in a post from June 2020 was critical of him. "I and the world hoped that president Trump would be different and better than the candidate," he wrote. "I will be glad when you [sic] gone."

In a book titled "Ukraine's Unwinnable War," which he self-published in 2023, Routh elaborated that he was furious that Trump had withdrawn from the nuclear deal with Iran.

"I must take part of the blame for the retarded child that we elected for our next president that ended up being

brainless, but I am man enough to say that I misjudged and made a terrible mistake and Iran I apologize," he wrote.

"You are free to assassinate Trump as well as me for that error in judgment and the dismantling of the deal."

He also seemed to be no fan of President Biden. "Sleepy Joe stands for nothing, no plans, no ideas," he wrote in one X post from March 5, 2020, referring to then-candidate Joe Biden.

"Well, one lesson I've learned is that just because I say something to a group and they laugh doesn't mean it's going to be all that hilarious as a post on X," he wrote Monday.

—Alyssa Lukpat and Nicholas Hatcher contributed to this article.

Musk Deletes Post on Assassination

Elon Musk published and deleted a post wondering why no one was trying to assassinate President Biden and Vice President Kamala Harris, on the same day former President Donald Trump was the target of another apparent assassination attempt.

Musk wrote Sunday, "And no one is even trying to assassinate Biden/Kamala," with a thinking-face emoji, according to screenshots of the post on his social-media platform X.

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—Jack Gillum and Joel Schectman contributed to this article.

U.S. NEWS

Trump Emphasizes Strong-Arm Approach

Praise for Hungary's Orbán and China's Xi bolsters nominee's heightened rhetoric

By ALEX LEARY
AND NATALIE ANDREWS

Donald Trump grimaced and shook his head as Kamala Harris hurled another insult at their debate, claiming "world leaders are laughing" at him. Asked to respond, the former president invoked one of his biggest fans: Hungary's Viktor Orbán.

"They call him a strongman. He's a tough person. Smart," Trump said on Tuesday in Philadelphia. Orbán, he recounted, has said the world was calmer with him in office. "He said the most respected, most feared person is Donald Trump. We had no problems when Trump was president."

It was just the latest time Trump has used the prime minister, who has been accused of creating autocratic rule in Hungary, as a validator for his own approach to wielding power. As he campaigns for a second term, Trump is signaling a tougher governing style while using forceful rhetoric, delighting some supporters but alarming detractors.

The Republican nominee has in recent weeks threatened political opponents with retribution, including jail. He has warned that deporting armed migrant gangs could be a "bloody story." And the former president has called for indicting members of Congress who served on the committee investigating the Jan. 6, 2021, attack on the Capitol by a mob of Trump supporters.

Trump continues to marvel at the power of leaders such as China's Xi Jinping. "He controls 1.4 billion people with an iron fist. He's smart," Trump said during a Sept. 5 economic speech in New York in which he reiterated plans to impose deep tariffs on Chinese imports. During the debate, Trump declined



Donald Trump met with Hungarian leader Viktor Orbán at Mar-a-Lago in Florida earlier this year.

HUNGARIAN PRIME MINISTER'S OFFICE/GETTY IMAGES

to say if he wants Ukraine to win the war with Russia, while saying the invasion would never have happened if he was president at the time, citing a relationship with Russian President Vladimir Putin.

For decades, Trump has sought to project strength, physical and otherwise, and coarse rhetoric has become a central part of his outsider political brand. To Trump, toughness brings respect and fear, qualities generally embraced by his supporters, even if some don't like his delivery.

Advisers say his vision of a strong-armed approach to politics is designed in part to contrast with what he views as the weakness of Democrats on issues such as immigration and foreign policy. Trump, too, has been angered by the various prosecutions he has faced, fueling a sense of payback and vows to fire "deep state" government workers. He has projected a White House that would seize new levels of executive power and assert unprecedented control over government agencies.

His words are sometimes vague or carry a hint of sarcasm, leaving them open to interpretation, such as when Trump said he would be a dictator on day one of his second

term to push executive orders on oil drilling and border control. Defenders say those comments get twisted out of proportion.

"Tough talk doesn't mean being a dictator. Tough talk means putting your country first and implementing policies that don't help our enemies," Trump campaign spokeswoman Karoline Leavitt said. "The media might criticize him for this, but the voters like it. You can see it in the polling. His message is working, and it's because people want a tough leader."

Critics, including some Republicans, are fearful of what Trump could do if he wins in November. The talk of being a dictator and threats of pursuing his enemies could be off-putting to swing voters who are hesitant about another Trump presidency.

"I think it hurts him," said GOP Rep. Don Bacon, who is defending a competitive seat in Nebraska. "In my district, he would win if he focused on Harris's record in the Senate—she was more liberal than Bernie

Sanders. If Trump would focus on that, plus his successes on the border, the Abraham accords, and low inflation, that's how he'd win."

A Wall Street Journal poll in late August found that 56% of voters think Trump's style and approach get in the way of "bringing the right kind of change," and 37% saying his style and approach are necessary to bring the right kind of change. The poll found that 46% of respondents said "too extreme" is a phrase that fits Harris well compared with 59% who said that of Trump.

Asked if they viewed Trump as authoritarian, 66% of voters said the description fits him well, and 28% said that word doesn't describe him, another Wall Street Journal poll found in early July.

Many Republicans see Trump as retaliating against an administration that Trump says has aggressively pursued him, even if it wasn't directly from President Biden.

In June, just days after he was convicted by a New York jury, Trump told an audience

in Arizona: "We have the enemy from within, and we have the enemy from the outside. And I'm telling you, we are in more danger from the enemy from within."

"He spends time with the American people and senses their frustration and their fear at how quickly this country is changing," said South Dakota Gov. Kristi Noem, who attended the debate. "He recognizes that words have power to send a message."

The Harris campaign calls Trump's rhetoric dangerous.

"Aided by his Supreme Court justices that gave him virtually unlimited immunity, and his Project 2025 allies who wrote the playbook to give Trump virtually limitless, unchecked power, Trump is openly laying out how he will try to rule as a dictator on day one to go after his political enemies," said Ammar Moussa, a Harris spokesman.

Trump has disavowed Project 2025, a conservative wish list for the next Republican administration, though some of his former staffers were a part of it.

Republican pollster Wes Anderson said that "the race that is best for Harris is new vs. old. The race that is best for Trump is strong vs. weak," adding: "People think these are serious times. If you believe the Huns are at the gate, are you asking for someone to show up who's going to be polite?"

Focus groups Anderson has conducted with swing voters express compassion for immigrants in the country illegally but also support for tighter border control and deporting violent criminals, he said. Harris, in a nod to Trump's polling advantage on the issue, has tacked to the center on immigration.

"People follow strength. People follow stature," said Rep. Byron Donalds (R., Fla.), a Trump ally. "That is human nature."

—Aaron Zitner contributed to this article.

U.S. WATCH

NEW YORK

Hip-Hop Mogul Combs Arrested

Rapper and entrepreneur Sean "Diddy" Combs was arrested in New York on Monday evening, prosecutors said.

Damian Williams, the U.S. attorney for the Southern District of New York, said the arrest was based on an indictment that was expected to be unsealed Tuesday.

Combs has been the subject of several lawsuits in recent months, with allegations including rape, sexual assault, physical abuse and druggings.

"We are disappointed with the decision to pursue what we believe is an unjust prosecution of Mr. Combs by the U.S. Attorney's Office," Marc Agnifilo, an attorney for Combs, said.

In March, Department of Homeland Security agents raided houses connected to Combs in Los Angeles and Miami as part of a human-trafficking investigation, according to a federal official.

—Joseph Pisani

OBITUARY

Tito Jackson

Of Jackson 5, 70

Tito Jackson, a founding member of the Jackson 5 who went on to pursue a solo blues and R&B career, has died. He was 70 years old.

Jackson's death was announced by his three sons, Taj, Taryll and TJ, on Instagram late Sunday. A cause of death wasn't given.

Born in Gary, Ind., in 1953, Toriano Adaryll Jackson was the third of nine children and older brother to pop star Michael. Michael and Tito topped the charts with family group the Jackson 5, later renamed the Jacksons.

The group became a mainstay of the Motown hit factory, scoring four consecutive Billboard Hot 100 No. 1 singles in 1969 and 1970 with "I Want You Back," "ABC," "The Love You Save," and "I'll Be There."

—Gareth Vipers

Tesla Adds Fewer Fast Chargers

Continued from Page One
to software challenges and holdups distributing the plugs in adapters needed by non-Tesla customers.

"Tesla actually has one of its biggest challenges in front of it since the Supercharger was first released," said Nick Nigro, founder of the research and consulting group Atlas Public Policy.

"What's important for them, in planning around where to allocate resources, is what's coming in the next 12 to 24 months—that is millions of drivers," Nigro said.

Tesla didn't return requests for comment.

Last week, Tesla Chief Executive Elon Musk posted on X that Tesla is "opening a lot more Superchargers."

Getting on track

With 6,500 charging locations globally, Tesla's Supercharger network is widely regarded as one of the industry's most robust and reliable services, and it has become a major selling point for buyers considering the electric-car brand.

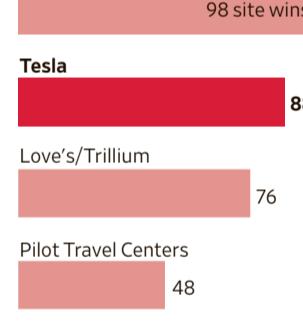
The service's growth was disrupted this spring when Tesla abruptly let go of the entire Supercharger team and its head, Rebecca Tinucci, amid companywide layoffs, according to people familiar with the events.

The move threw the industry into chaos, pausing construction on some Supercharger sites that were under development and causing confusion among property owners who were in the middle of negotiations at the time of the job cuts.

Months later, Tesla is trying to get back on track with a smaller team and new leadership of the group. Their task is the same as before—to expand Tesla's network. Only now, they need to do it with fewer employees, the people said.

Musk has tried to reassure customers that Tesla would continue to build out the ser-

National Electric Vehicle Infrastructure awards, total site wins by recipient



Note: Data as of Sept. 9
Source: EVAdoption NEVI Database

vice, just at a slower pace for new locations. In May, he said the company plans to spend well over \$500 million to improve the network with thousands of new chargers this year.

"That's just on new sites and expansions, not counting operations costs, which are much higher," Musk said.

The reality has been more complicated. For the first few weeks after the layoffs, Tesla's partners and contractors struggled to reach their contacts at Tesla, most of whom no longer worked at the company or had access to email.

By the end of May, Tesla brought back several senior members of the Supercharger team, including Max de Zegher, who leads the program, and a handful of managers who run it in North America.

Mike Snyder, a longtime executive at Tesla who had previously run its industrial-battery program, has since assumed oversight of the charging group, according to an organizational chart viewed by The Wall Street Journal.

Construction on Supercharger stations remains active across the country, and in recent weeks, the team has continued rehiring some former workers, people involved in those conversations said.

Network build-out

A continued slowdown could have an impact on the charging experience for electric-vehicle customers across the industry.

Tesla in late 2023 agreed to make its charging service available to other automakers for the first time. The move also allowed Tesla to qualify for a share of the billions in federal dollars available for enlarging the country's EV charging infrastructure.

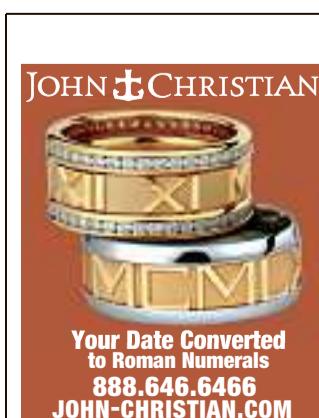
So far, the company has secured about \$37 million in public funding to build 88 Supercharger stations in the U.S., making it one of the top recipients in a federal program to expand EV charging access, according to EVAdoption, which tracks the awards.

Some of that money was doled out via state programs after the layoffs. In August, Tesla received \$2.9 million to install six charging sites in Arizona. A month earlier, it got \$1.8 million from Maryland to install its fast chargers, which can allow EVs to repower in about 30 minutes.

Tesla's need for expansion is coming into sharper focus with more automakers poised to join the network. Already, Tesla drivers are worried about congestion at existing stations and the potential for longer wait times.

Earlier this year, the company opened its charger network to Ford and Rivian drivers. It also had plans to expand access to General Motors, Volvo Cars and Polestar by this past spring, but its website now says those additions are coming soon.

"That was one downside that came as a result of opening up that network to the non-Tesla owners," said Brent Gruber, executive director of the EV practice at J.D. Power, which studies charging satisfaction. "They no longer had access to that exclusive club. Now they're sharing it with other owners."



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WORLD NEWS

Russia Sells Grain Stolen From Ukraine

Occupiers help fund war effort by seizing harvests or paying below-market prices

BY BOENOT FAUCON

KYIV, Ukraine—Beyond the bombs and gunfire of Russia's war in Ukraine, a parallel economic war is raging.

Its front line is on occupied Ukrainian farmlands, from which Russia and its partners have sold almost \$1 billion in stolen grain on a burgeoning black market.

Moscow's forces in Ukraine since 2022 have occupied some of Europe's most fertile farmland. The occupiers have either seized harvests or bought them cheaply, often forcibly.

The business involves a wide network of clients who benefit from Moscow's wartime patronage system, including a Russian shipyard equipping the invasion, a company affiliated with Iran's Islamic Revolutionary Guard Corps and a Crimean businessman who trades with Syria and Israel. Another company sells through the United Arab Emirates.

Trading the looted Ukrainian agricultural products keeps Russia's allies funded and loyal to Moscow even as it faces mounting economic pressure, offering a sort of off-balance-sheet vehicle financing Kremlin objectives.

The Kremlin didn't return requests for comment on its exports of Ukrainian crops.

"It's like the war is feeding itself," said Pascal Turlan, legal director at rights organization Project Expedite Justice, which is helping Ukrainian prosecutors investigate grain theft. "The illicit trade brings revenue to a Kremlin-sponsored patronage system, which



Ukrainian prosecutor Ihor Ponochovny tracks the grain exports.

in turn helps the conflict and the occupation to continue."

The exact commercial value of Russia's pilferage is difficult to determine amid the war's chaos and Moscow's subterfuge, but it is large. Since 2022, the operation has directly shipped at least four million tons of grain and other produce from occupied Ukraine to international markets, generating revenue of \$800 million, said Markiyian Dmytrasevych, Ukraine's deputy agriculture minister.

Much more has been exported by land or small ships, according to Ukrainian nonprofit organization Texty, which estimates the total value of grain taken by Russia in occupied territories could be as high as \$6.4 billion.

The patronage takes many forms. Three bulk vessels that export large volumes of illicit grain are owned through a chain of corporate entities by Russia's state-run United Shipbuilding Corp., which also produced warships used to shell Ukrainian cities, the U.S. government said.

A Russian company that exclusively sold grain from the occupied region of Zaporizhzhia has

donated 10 million rubles, equivalent to \$111,000, to a battalion fighting in the province, according to a document obtained by KibOrg News, a Ukrainian project that documents Russian economic-looting activities in the occupied territories.

Moscow is also attacking Ukraine's own grain exports. Late Wednesday, a Russian missile struck at a ship that was carrying Ukrainian wheat just after it had left a Black Sea port for Egypt, Ukrainian President Volodymyr Zelensky said on his Telegram channel.

Russia's illicit agricultural trade begins on Ukrainian farms. Moscow's forces either compel farmers to sell their crops at below-market prices or steal them, sometimes at gunpoint. From there, produce is shipped by truck and rail to ports along the Black Sea, some on occupied Ukrainian territory.

Russian authorities say that in the first half of this year, they sent 15 ships carrying 81,000 tons of wheat to Turkey from Mariupol, another city conquered during the war.

Turkey bans ships from occupied Ukrainian terminals and cooperates with Kyiv to block illicit trade, the country's

How Ukrainian Grain Pays for Russia's War



1 An illicit market in grain stolen from Ukraine is helping fund Russia's invasion. Traders are selling wheat plundered in occupied territories directly to friendly nations such as Iran and Syria. The biggest hub for illicit exports is Sevastopol, a port in Crimea that Russia annexed in 2014.



2 After Moscow launched a full-scale invasion of Ukraine in February 2022, Russian loyalists started exporting stolen grain from ports Berdyansk and Mariupol in newly conquered territories.



3 Most international buyers refuse direct grain deliveries from Ukraine's occupied territories to avoid sanctions and pressure from Kyiv. So pro-Moscow exporters divert the stolen crops to mainland Russia, from where they can be re-exported to global markets. For buyers of crops from Russia, determining their origin is difficult.



EMMA BROWN/

Note: Approximate routes shown.
Sources: Ukrainian Military Intelligence, Security Service; Ukrainian officials; Project Expedite Justice; SealKrim; Kpler; Yörük İşletme; MarineTraffic; Russian Federal Service for Veterinary and Phytosanitary Surveillance; Trading Corporation of Pakistan; Tradeindata; 52wmb

foreign-affairs officials said.

Separately, Ukrainian prosecutor Ihor Ponochovny in June started tracking a Turkish-owned ship, the Usko MFU, which he suspected had carried stolen grain last year from the Crimean port of Sevastopol. Russia seized Crimea from Ukraine in 2014 and in 2022 linked it with occupied Kherson.

Ukraine's border force in June told Ponochovny the Usko MFU had entered Ukrainian waters.

The prosecutor, who works closely with the Security Service of Ukraine, issued a search warrant and police boarded it.

Onboard they found records showing it had left Sevastopol last November for Turkey carrying 2,100 tons

of crushed sunflower seeds and brown wheat.

Investigators said they found onboard a message from the ship's managers to the captain instructing him to conceal the cargo's Crimean origin.

Ukraine's border force in July seized the Usko MFU.

The ship's owner, USKO Shipping Management, didn't respond to a request for comment.

A lawyer representing the vessel's captain declined to comment.

Ukraine is applying diplomatic pressure on importing countries, with some success.

In the past two years, Egypt, Israel and Lebanon either canceled loadings or stopped buying grain cargoes after Ukrai-

nian diplomats told them they had departed from Russian-occupied parts of Ukraine, Ukrainian officials said.

Russian allies Iran and Syria have said they won't abide by sanctions.

As Kyiv cracks down, exporters are adopting increasingly complex evasion tactics such as transferring grain to Russia and mixing it with legitimate products before re-selling it on international markets. Ukrainian authorities are struggling to keep up.

"We need more people," said Ponochovny, the prosecutor.

—Oksana Pyrozhok, Serhii Bosak, Patrick Thomas and Jared Malsin contributed to this article.

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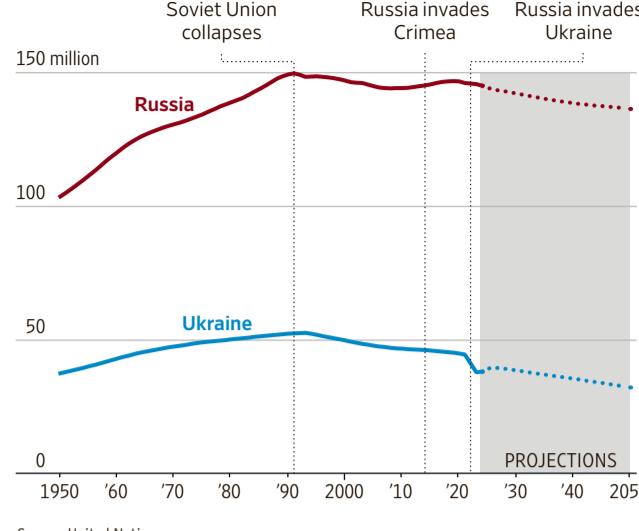
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WORLD NEWS

Ukrainian and Russian population levels



Source: United Nations

Casualties Hover at One Million

Continued from Page One
and capture of Ukrainian territory over the past decade have caused Ukraine to lose at least 10 million people under occupation or as refugees, according to government estimates and demographers.

Putin has long declared addressing Russia's chronic demographic decline a priority, and the Kremlin has since embarked on a campaign of Russifying occupied territories, including large-scale abduction of children and pressuring Ukrainians to obtain Russian citizenship. In the occupied Donbas region, selling property and other transactions now require obtaining Russian citizenship.

Today's Ukraine was once part of the Russian Empire, and Putin has repeatedly said he seeks to revert the country to that state. He denies Ukrainian identity and statehood and claims that Ukrainians, a largely Slavic and Orthodox Christian people, are in fact part of the Russian nation.

"Demographics is a priority for Putin, and he wants to use Ukraine and its people to consolidate the Slavic core of Rus-

sia," said Ivan Krastev, a Bulgarian-born political scientist and an author of a coming book on European demographics. "But for Ukraine, the dilemma is existential: How many people can you lose in a war before losing your future?"

Putin's single most effective measure to boost Russia's population before the full-scale invasion was the annexation of Crimea from Ukraine in 2014, which added around 2.4 million people to Russia, said Krastev, who based his estimates on the latest Russian census.

While Russia has gained population by grabbing territory, the war has had a devastating effect on its internal demographics and the labor market. Well over 600,000 Russians fled the country since the full-scale invasion started. They are mainly younger and upwardly mobile professionals who were able to afford relocating to foreign countries and starting a new life.

Russia has traditionally relied on labor migration from Central Asia, but the war reduced, and in some cases even reversed, the flow of migrant workers. This exacerbated the growing labor shortage in Russia as Siberia and the Far East are rapidly depopulating. Government-linked experts have publicly floated the idea of importing North Korean workers.

Russia's assaults on Ukraine have had a catastrophic effect on its neighbor-



Ukraine this year estimated the number of its dead troops at 80,000. Above, the funeral of a Ukrainian soldier in Kharkiv, in May

bor's population. The most recent census, in 2001, recorded 48 million inhabitants. At the start of 2022, before Russia invaded, that had fallen to 40 million, including regions such as Crimea that Russia occupied in 2014, according to Ukrainian demographers and government officials. With more than six million fleeing Ukraine since the start of the war in February 2022, according to the United Nations, and Russia seizing further land, the total population on Kyiv-controlled territory has now dropped to between 25 million and 27 million, according to previously undisclosed Ukrainian government estimates.

Oleksandr Gladun, a researcher at the Ptoukh Institute

for Demography, gave higher estimates of 42 million for the prewar population of all of Ukraine and around 29 million living on government-controlled territory at the start of this year. The population of Ukraine can only be calculated a couple of years after the end of the war when the number of returnees will be clear, he said.

The effect could be enduring. Alongside military deaths, Ukraine's birthrate also collapsed to the lowest recorded level: In the first half of this year, three times as many people died as were born, according to government data. Some 250,000 deaths and over 87,000 births were recorded in this period, which is 9% less than the same period last

year, according to government figures. In 2021, the year before the full-scale invasion, over 130,000 births were recorded.

Russia's way of war is also aimed at making Ukraine unlivable. Russian missile-and-drone attacks have knocked out large parts of Ukraine's energy grid, including power stations, which could drive many more Ukrainians to seek refuge outside the country this winter if it leads to major electricity and heat outages.

Ukraine's government, like that of Russia, keeps its war casualties secret. President Volodymyr Zelensky said in February that around 31,000 soldiers had been killed. Several former political and security officials said that underestimate was largely designed to placate society and help continue the mobilization of much-needed new recruits. A spokesman for Zelensky declined to comment.

One of the key reasons Zel-

ensky refuses to mobilize the key cohort of men aged between 18 and 25—typically the bulk of any fighting force—is because most of these people haven't had children yet, the former Ukrainian officials said.

Should the recruits of that age group die or become incapacitated, future demographic prospects would dim further, Ukrainian demographers say.

Ukraine has therefore resisted calls from Western partners to throw more men into the fight. The average age of Ukrainian fighters is now over 43, according to estimates by government and military officials.

The civilian death toll remains unknown. Russia's 2022 conquest of the southeastern port city of Mariupol alone claimed over 8,000 lives, according to estimates by Human Rights Watch, a nongovernmental organization.

—Ievgeniia Sivorka contributed to this article.

Ukraine and Russia keep the number of dead and wounded a secret.

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FROM PAGE ONE

Rape Crisis Unfolds In Congo

Continued from Page One
of seven months, most recently two weeks before her interview with The Wall Street Journal.

In the camps around Goma that host some 500,000 displaced people, an estimated 80% of the women have been raped, including girls as young as 8, according to psychologists, nurses and others working with survivors of sexual violence.

Over a decade ago, political leaders and celebrities from around the globe made a high-profile pledge to put an end to the use of rape as a weapon of war. Hillary Clinton, as secretary of state, met survivors in eastern Congo, which amid years of conflicts had become known as the "rape capital of the world."

The U.S. spent tens of millions of dollars to educate communities in eastern Congo about sexual violence and provide medical, psychological and legal support for survivors. Along with other Western governments and international institutions, it promised better training for soldiers and other combatants to stop rape from being used as a weapon of war.

Yet today, as a war between Congolese rebels backed by Rwanda and the Congolese army has pushed the crisis to a new zenith, many of these efforts have either dissipated or been overwhelmed by the unprecedented scale of need.

Funding from the U.S. Agency for International Development for its main sexual-violence prevention and response project in eastern Congo ended last year. A \$100 million grant by the World Bank that financed medical and legal services for survivors, community outreach and initiatives that helped women in the region earn a living also expired in September 2023.

Local aid groups say they don't have the funds to support survivors, or supply women with the necessities that would allow them to stay out of the forest.

Speaking out

In interviews with Journal reporters, Kanyamanza and the other women named in this article, who have all been displaced from the same, rebel-held village, chose to break through the silence and stigma that still surrounds what has become a grim, everyday occurrence.

"I am speaking out so there is help and so that the war ends and that other women don't get raped," says Renatha Mwamini,



JONATHAN TOROGONIK FOR WSJ

Marie José Vumiliya, Espérance Kanyamanza, Pascazi Basabose and Vestine Fitina Batibuka, above, say they have been raped. A camp for the displaced near Goma, right.

from USAID to address sexual violence, followed by an extra \$15.3 million in 2017.

The American Bar Association trained paralegals in remote villages to help women report assaults to the police and connected them with lawyers to navigate Congo's sclerotic justice system.

In 2014, the World Bank committed \$74 million to tackling sexual violence in Congo, followed by a \$100 million initiative launched in 2018. In addition to medication and training on sexual violence for health workers, the money financed mobile courts that could fast-track rape cases in rural areas.

Aid groups and hospitals expanded their operations and thousands of women received Post-Exposure Prophylaxis, or PEP, kits, which prevent HIV infection and pregnancy when given within 72 hours after an assault. Several high-profile military and militia leaders were convicted for ordering their men to rape women.

Often, however, alleged perpetrators detained by police walked free days later, likely thanks to bribery, aid workers and activists say, while courts were more ready to convict low-level officers than commanders.

The biggest setback for women's safety, activists say, has been the fighting and mass displacement brought on by the M23 insurgency, which has flooded the region with armed men and torn women from the protection of their home communities.

In the Goma camp, women shared stories of being brutally assaulted on the march into

Virunga forest. Men who ventured out to make charcoal risked forced recruitment by the Wazalendo or being targeted by M23.

On May 14, 2023, Kanyamanza says, her husband was killed by a stray bomb in Virunga forest. She was seven months pregnant.

Two months after giving birth to her fourth child, a boy named Patient, Kanyamanza went into the forest for the first time, joining four other Rugari women, including Pascazi Basabose, Vestine Fitina Batibuka



said they are protecting their country's territorial integrity, without responding to the specific allegations.

In response, the Congolese government has dispatched thousands of its own soldiers, backed up by peacekeepers from the Southern African Development Community, a regional bloc, and the U.N.

According to U.N. investigators, the government has also begun arming some of the more than 100 militaries active in the region to help fight M23. Those government-aligned fighters, collectively known as the Wazalendo, the Swahili word for "patriots," are perched on the hills outside Goma—and many live in the same camp as Kanyamanza, Mwamini and the other women interviewed by the Journal.

Human Rights Watch, Amnesty International and U.N. agencies have documented sexual assaults by fighters belonging to all parties in the conflict, including M23, the Congolese military and the Wazalendo.

Named for a failed 2009 peace treaty, M23 traces its roots to the start of the conflict in

eastern Congo, when, after the 1994 genocide in Rwanda, millions of mostly ethnic Hutu refugees crossed into the region. Among them were members of Rwanda's ousted government and many perpetrators of the massacres of Rwandan Tutsis.

Their arrival in a region with its own Hutu and Tutsi populations ignited a series of wars that continue to this day. The Congolese government struggled to take control; in many cases, rights groups say, its own army added to attacks on civilians.

Sounding an alarm

Health centers saw an explosion of women seeking help after sexual assaults, often by groups of armed men. Many had internal injuries after being raped with objects such as rifles and sticks. Activists sounded the alarm, and for a while, it seemed, the world listened.

International journalists flocked to the region, followed by politicians and celebrities. Clinton's trip to Goma in 2009, where she visited a hospital run by aid group HEAL Africa, prompted \$20 million in funding

want to seem too eager or make an employee uncomfortable.

"I try to have a kind of connection," says Lluís Gibert, a tech worker and lifelong Lego fan from Barcelona, Spain, who has about 100 employee minifigures.

Gibert says he snagged many of them during his years editing a Lego fan magazine, when he often interviewed company employees.

Like other collectors, he says, he made a knockoff version to use as his own card—and for trading with Lego employees and other fans at Lego conventions.

Marc-André Bazergui, a Lego fan in Montreal, refers to his collection of about two dozen employee minifigures as his "mini Lego LinkedIn."

One of his most prized is of former Lego Chief Executive Kjeld Kirk Kristiansen—a member of the family that

controls the company—which he got at a fan event. When he lined up with other fans a year

or two later to get another, he says, Kristiansen seemed to remember him. "He said, 'You're not getting another one,'" recalls Bazergui.

In 2022, Lego moved to protect its intellectual property by informing the adult fan community they weren't allowed to put their own logos, sometimes using printing shops, on the figurines.

Michael Friedrichs, a collector in Germany, says he retired his personalized minifigures after the policy change because he didn't want to get into trouble or offend anyone.

When his parents found out what his collection might be worth, he says, they advised him to cash in.

"Get the money and buy something better," he says they told him. "Buy something cool."



The camps around Goma host some 500,000 displaced people.

Lego's Tiny Plastic Employees

Continued from Page One

For years the Danish toy company has made customized minifigures for managers and other employees who deal with the public to use as business cards. Representatives of the Lego Group and Lego Foundation, for which Renvillard worked, handed them out at conferences and in meetings.

Obsessive Lego collectors, of course, began obsessing. Popular or rare versions of the tiny plastic employees can sell for as much as \$1,000, according to some collectors. Renvillard's was listed on eBay this month for \$275.

Stefano Debreri, a collector from Rome with a day job in finance, says he keeps most of his roughly 150 employee minifigures in a glass display case at home. He isn't in it for the money, he says. "I'm a romantic," he explains. "I collect for my pleasure."

Now, a little-noticed move in company headquarters is rocking this tiny collectibles market. Lego is moving away from the iconic plastic calling cards. Since last year, distribution of the minifigures has been limited to certain senior executives, a Lego Group spokesman said. He cited rapid growth in Lego's workforce and a corresponding jump in employee requests for the cards.

"Continuing to make them available to all colleagues, who are already connecting digitally, became a substantial and complex use of company resources," he said.

Lego's minifigures date to

the 1970s, when the company first produced plastic figures with yellow heads, bendable arms, and legs made from traditional Lego bricks. Later, the design was updated, and the figures became so popular they are sold separately from Lego sets.

Employees say the company began turning them into business cards more than a decade ago. Staffers could order different styles, specifying facial expression and hairstyle. Some sport beards and glasses.

Jesper Vilstrup, a longtime Lego employee who left in 2022, says his raven-haired minifigure started drawing comments after his real hair began to gray. He didn't change the hair, he says, but he once ordered a bigger smile.

Collectors give considerable thought to how best to approach an employee. Some say they wait until a business card is offered because they don't

want to seem too eager or make an employee uncomfortable.

"I try to have a kind of connection," says Lluís Gibert, a tech worker and lifelong Lego fan from Barcelona, Spain, who has about 100 employee minifigures.

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Lego fan in Montreal, refers to his collection of about two dozen employee minifigures as his "mini Lego LinkedIn."

One of his most prized is of

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Tuesday, September 17, 2024 | A9



With iOS 18, you can redesign your home screen, schedule messages and more.

indicator in the text field says "Text Message • RCS." That said, at times it hasn't worked—even when I know the recipient has an RCS-enabled Android phone.

Control stuff

Taking cues from Android, the entire OS now offers a deep level of customization throughout.

► Control Center redesign: Swipe down from the iPhone's top-right corner to see the revamped Control Center. Long-press to rearrange controls. Tap the minus symbol to remove them, or Add a Control to choose new ones. Apple is now allowing third-party apps in on the fun. Ford, for example, is adding an unlock control, so I'll be able to unlock my Mustang Mach-E right from the Control Center.

► Control Center pages: There are now multiple pages in Control Center, for most-used apps, media playback, Home controls and connectivity settings. Small icons on the right indicate which page is which. I deleted some of the pages because I found them overwhelming.

► Lock screen controls: Hey, you! Yes, you sir, with your flashlight accidentally turned on. This one's for you. Long-press on the lock screen, select Customize and then Lock Screen, then swap out the circular flashlight and camera controls on the bottom. You can even set it to launch any app (WSJ is a great choice!) or remove the controls entirely.

Missing stuff

There are many more new tools. There is a conversion tool in the calculator to easily convert currencies, temperatures and more. You can require Face ID to access apps with sensitive information.

If your Mac is running the new MacOS Sequoia, you can control your iPhone right on your computer.

And now for the other tradition: my list of Stuff Apple Still Hasn't Done. Screen Time? Still a buggy, unreliable mess. On the iPhone Pro Max's massive screen, wouldn't it be nice to open two apps side by side?

And while Apple is taking a page from Android, how about that dirty-camera-lens warning?

Maybe iOS 19 will be *even bolder*.

Watch a Video

Scan the code to watch WSJ's Joanna Stern explain what's new with the just-released iOS 18.

Apple's iOS 18 Software Update Has It All, Except for the AI

Message scheduling, app icon customization, improved texting with Android friends, and more



PERSONAL TECHNOLOGY
JOANNA STERN

Some say smartphone innovation is dead. Clearly, those people haven't heard the news: You can now **bold** and *italicize* message text—and even do both *at the same time*.

Apple Intelligence? *Pfffft.* The breakthroughs we've really been waiting for are packed into Apple's iOS 18 software update, released on Monday for iPhone models going back to XS and XR. Besides the many cool messaging tricks, you can change the colors (and size!) of your app icons, swap controls on the lock screen—even adjust the flashlight's beam width!

And don't get me started on the amazing new calculator.

Disciples of iOS history know 2024 is a weird year.

Apple Intelligence, the company's first foray into AI tools, starts rolling out in October with iOS 18.1. But that update won't have all the coming features.

Plus, to get Apple Intelligence, you will need to have one of the latest iPhone 16 models or an iPhone 15 Pro or Pro Max.

Still, even without a smarter Siri, iOS 18 is a great update. The improvements, though subtle, are mighty when it comes to helping with everyday tasks.

I've been testing the beta without performance issues.

As always, my annual advice holds: If you're concerned about bugs, wait a week before you update.

When you're feeling ready, head to Settings > General > Software Update.

Here are some of my favorites.

Home screen stuff

Bye bye, boring app grid. You can now arrange your icons like throw pillows and match them to your wallpaper. Before you rush out to hire an iPhone interior designer, try it yourself.

► Move apps: Long-press on the home screen until apps and widgets jingle. Then, move them wherever you want—surrounding a family photo, or in a vertical line off to one side.

► Color apps: Long-press on the home screen again and tap the Edit button in the upper left corner. Then tap Customize. You're now in control of the app icon colors—not just Apple apps, but all of them. Light keeps the default colors. Dark makes everything...dark. Tinted changes all the icons' color to match your wallpaper. You can also use the color sliders for any hue or use the dropper to pick a color straight from your wallpaper.

► Resize apps: In the same Customize menu, you can choose to enlarge app icons, too. Just note, when you go Large, the app names disappear.

Messaging stuff

If you rely on Apple's Messages app, your life is about to change.

► Text effects: Instead of TEXTING IN CAPITAL LETTERS to get your feelings across, tap the A icon on the upper-right of the keyboard. You can choose a formatting style like **bold** or *italics*, and you can also select from eight animation options so your words can explode, shake, nod, ripple and

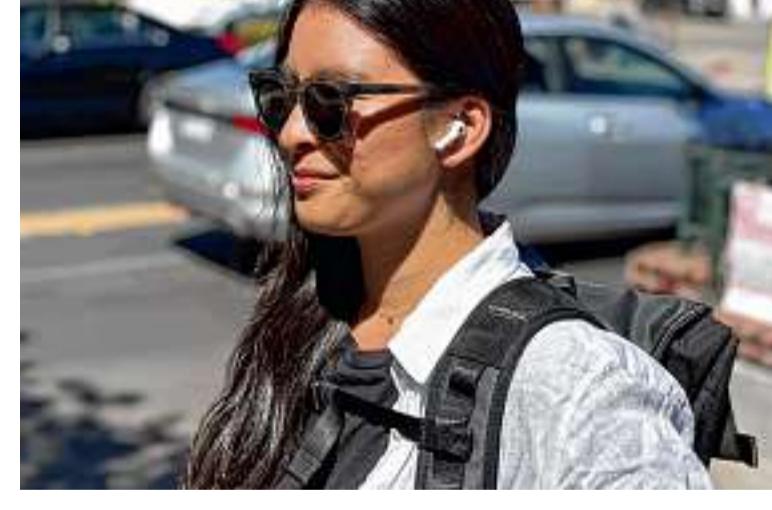
more. It's fun but can be flaky when selecting the text. The catch: The person getting your text must also be running Apple's latest software to see the action.

► Schedule-send texts: Sometimes you want to send a message later because the person receiving it might be asleep, in a meeting or just not ready to hear your latest 2 a.m. epiphany. Tap the + button to the left of the message text field, then select Send Later and set the date and time.

► Tapbacks: Those heart, thumbs-up and thumbs-down reactions when you press on a message? They're going full Technicolor, a la "Wizard of Oz." And, similar to WhatsApp or Slack, the tapback menu now lets you drop in emojis, too. Your most-used will stay in the menu.

► RCS: iOS 18, aka The Great Green-Blue Bubble Peace Accord. With RCS messaging, when texting with an Android phone, you see typing indicators, read receipts and high-resolution photos and videos. The setting is turned on by default and when it's working, an

Noise Cancellation Earbuds Sound Sweet



Battery blues

On a single charge, the AirPods 4 with ANC can last five hours (same as the basic AirPods 4 model), and four hours in the more battery-intensive active noise cancellation mode.

The older AirPods 3 actually had better battery life, at six hours. The Pros can get up to six hours—with ANC on.

This means the AirPods 4 battery life is fine for intermittent use between meetings or classes, and less so for long-haul flights.

There are also more ways to charge these AirPods. The case on the ANC model works with wireless chargers (including the Apple Watch's), and five minutes of charging in the case adds another hour of listening time to the buds.

The case has other tricks, too. If you misplace it, you can use the Find My app to make it ring, a feature I use daily with my Pros.

The AirPods 4 are a big leap for the basic, market-leading earbuds. But the tiny tech still has a big problem: irreplaceable batteries.

All Bluetooth earbuds contain small lithium-ion batteries that degrade with every use. Apple says it can recycle your AirPods once the time comes. That

doesn't change the fact that these great Pods might die well before we want them to.

If you're in the market for a new pair, these new AirPods 4 with ANC will be the best Apple buds for most of you—as long as they fit.

► The AirPods Pro 2, left, have a changeable, grippy silicone tip, while the AirPods 4 with ANC have an open-ear design.

modes, increasing noise control in a loud environment and decreasing when things are less noisy.

The noise-blocking powers on the AirPods 4 are about the same as the first-generation Pros.

The ANC mode doesn't completely mute the outside world, but it does help me focus. In a bustling coffee shop, I didn't have to crank up the volume of my music to drown out the sounds around me.

The over-ear AirPods Max (\$549) and in-ear AirPods Pro 2 can cancel out double the noise.

In addition to noise canceling software, the Pros also rely on silicone tips to create a seal that phys-



ically blocks sound from reaching your ear drums. Some people experience an uncomfortable suction feeling when wearing those in-ear tips. For them, the AirPods 4 with ANC may be preferable to more expensive models.

► If the AirPods can stay in your ears, music sounds detailed and crisp.

There are now four AirPods models. Two have AirPods 4 in the name. Three are capable of reducing unwanted sound. Confused?

I can help. After a week of testing, the new AirPods 4 with Active Noise Cancellation have emerged as the Goldilocks AirPods.

The \$179 model, available Friday, is just right. It's a \$50 step up from the new, basic AirPods 4, but given the additional features—including a wireless chargeable and ringable new case—the upgrade is worth it.

There are still reasons to opt for the two-year-old, \$249 AirPods Pro 2. Neither AirPods 4 model will get Apple's new hearing health capabilities, which could be a deal breaker for many people.

Only the Pros will be able to turn into hearing aids via a coming software update. The Food and Drug Administration recently approved the feature, but Apple hasn't yet announced availability.

If you aren't in the market for an auditory amplifier, the AirPods 4 with Active Noise Cancellation are a solid choice. They offer Pro features at a not-Pro price.

Better fit and focus

The major difference between the regular Pods and the Pros is the lack of squishy ear tips. These AirPods 4 maintain the classic all-white, plastic design. Because the buds are one-size-fits-all, you can't

PERSONAL JOURNAL.

Where to Put Your Money With Rate Cuts

Financial advisers say it's now time to recalibrate that cash hoard of trillions in CDs and high-yield savings accounts

BY JOE PINSKER
AND ELIZAVETA GALKINA

The era of earning easy 5% returns on your cash is ending—slowly.

The Federal Reserve is expected to start cutting rates Wednesday. Lower interest rates on high-yield savings accounts and money-market funds will follow, likely within days or weeks. Yields on certificates of deposit have already started dropping.

Americans piled trillions of dollars into savings accounts and money-market funds the past two years when rising interest rates made cash more appealing. Retail assets in money-market funds totaled nearly \$2.6 trillion last week, up from about \$1.5 trillion in September 2022, according to the Investment Company Institute.

Now, financial advisers say it is time to recalibrate that cash hoard.

For the cash you decide to keep, you should shop around for the best place to store it. If you're looking to lock in some of today's yields by buying CDs or Treasury bonds, act sooner rather than later.

"You'll see banks pull back on their CD offerings pretty fast," said Ben Smith, a financial planner in Milwaukee.

The price of procrastination shouldn't be too severe, though. This Fed rate cut's immediate impact wouldn't be as dramatic as when the rates on I bonds adjusted from 9.62% to under 7% in 2022, which before the change sent overwhelming demand to the Treasury website selling them.

Munro Richardson, a 52-year-old who runs an education nonprofit in Charlotte, N.C., said the 4-week T-bills he bought last week felt like a last hurrah before



the Fed cuts. "It's been a great time to be a saver," he said. "I was finally getting rewarded for doing the responsible thing as opposed to speculating on the hottest stock or cryptocurrency."

As rates fall, some banks will have better deals than others. For instance, when the Fed lowered rates in March 2020, the average yield on 1-year CDs fell within weeks. The rates on the highest-yielding 1-year CDs, however, remained at least 1 percentage point higher than the average for about two months, according to data from the financial website Bankrate.

Earlier this month, the top 1-year CD in Bankrate's database



▲ **Munro Richardson** bought 4-week T-bills last week in what he said felt like a last hurrah before the Fed cuts.

paid 5.1%, or \$255 in annual interest on a principal of \$5,000. If the rate dropped by half a percentage point, to 4.6%, that would knock \$25 off the annual interest.

Consider the risks

High-yield savings accounts have seemed like a sweet deal in recent years, but interest on cash isn't going to make you rich. It merely helps protect from inflation the money that you need to have available soon. Holding too much cash means missing out on

long-term returns.

"There is this feeling that cash does not carry risk, and that's just wrong," said Valerie Rivera, a financial planner in Chicago.

To pare back, determine how much money you need for emergencies and in the next two years. Keep that in a high-yield account, or if you have a specific expense like a down payment, buy a CD or bond that matures when you need the money. Funds you don't need for at least a decade go into longer-term investments like stocks.

Then there is the money you have in mind for the medium term, a time horizon that often gets overlooked, said Smith, the Milwaukee financial planner. He recommends bond or CD ladders, which have a range of maturities, helping mitigate interest-rate risk.

Smith warns against two opposing impulses when revisiting cash holdings.

The first is chasing higher returns by buying stocks. Using stocks in pursuit of short-term gains is risky, he said. You should buy equities only if you plan to hold them. The second is that people have gotten so accustomed to high returns on cash that they might hang on even as rates fall.

"They've been trained to view this high-interest, low-risk option as an



▲ **Matt de Silva** is holding more in cash than he figures he needs. He's OK with that.

immovable force," Smith said. "It's kind of hard to retrain that."

Matt de Silva, who started investing in fixed-income a few years ago, said he's holding roughly \$50,000 in cash—about \$30,000 more than he figures he needs.

The 30-year-old in New York City said he is OK with that, partially because he is thinking of buying a condo. He has also decided he doesn't want to put too much effort into maximizing what he earns on his cash.

"I've increasingly accepted that it's OK to not squeeze every dime out of my investments," said de Silva, who works at a healthcare software company. "As long as I do the big things right, I'll probably do well enough."

Rate-cut reality

When the Fed raises or lowers rates, an average of 30% to 40% of the change eventually gets reflected in yields on checking and savings accounts,

according to a 2021 paper in the Journal of Finance that analyzed data from 8,000 banks since 1984.

Banks tend to change CD yields more quickly when rates are falling than when rates are rising, research has found. In periods when rates were decreasing between 1997 and 2011, banks left yields unchanged on 3-month CDs for a median of three weeks. When rates were increasing, they left yields unchanged for a median of six weeks, according to a 2022 paper published by the Fed.

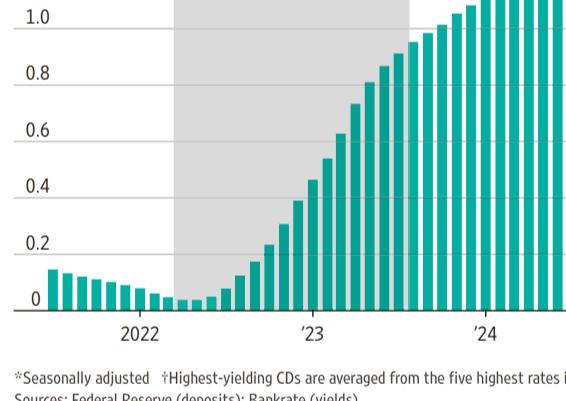
According to Philipp Schnabl, a finance professor at New York University, one explanation that has been suggested is simply that Fed rate increases are historically more gradual than rate cuts. Another is that banks are slower to act because it benefits them to delay paying higher interest to customers.

As rates rose in 2022 and 2023, many savers received a stream of celebratory emails from their banks letting them know that the yields on their savings accounts had increased.

Banks aren't legally required to notify you when the interest rate is about to change on your account, so don't expect the same level of communication if they lower interest rates, say financial advisers.

"When your 5% high-yield savings account goes down to 4.5%, we're not getting that email blast," said Smith, the Milwaukee financial planner.

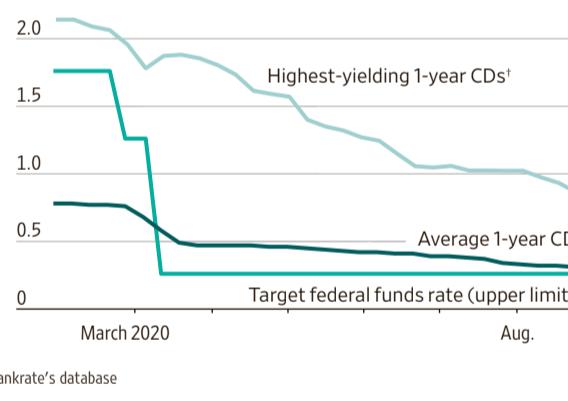
Deposits in CDs issued in amounts under \$100,000*



*Seasonally adjusted. [†]Highest-yielding CDs are averaged from the five highest rates in Bankrate's database.

Sources: Federal Reserve (deposits); Bankrate (yields)

CD yields after the Fed rate cuts in 2020



MY RIDE | BY A.J. BAIME

Her Dad Had a Blast With His Rocket Car

Jen Heitman, 38, a school administrator's assistant, on the Rocket Car, as told to A.J. Baime.

The Rocket Car is a known thing in Cleveland, where I live. The story starts with my dad, Ron Heitman. He started building cars when he was 16. He owned a service garage for over 50 years. For many years, he produced the Cleveland Auto-Rama car show that's still held every year. [It's now called the I-X Piston Powered Auto-Rama.]

When my father was growing up, he used to go to Cleveland's Euclid Beach amusement park. He had his first date there. There was a ride with space rocket swings called the Rocket Ships. When the park closed in 1969, it was the end of an era.

One day, in the 1970s, my dad was driving in Cleveland and saw one of the old rockets from that ride in the backyard of a house. He parked out front and sat there, remembering the glory days. A guy came out and said, "Hey, can I help you?"

My dad asked about the rocket, and the guy said, "You want it? You can have it." Ron Heitman's mind was amazing. He

could make a car out of anything. I have a car he built out of a bathtub. He decided to build the Rocket Car, a street-legal vehicle he could use to drive his family around.

My dad mated the original rocket with a subframe from an Oldsmobile Toronado and a modified Oldsmobile "Rocket 455" engine—so it all fit together. Inspired by a school science project my brother Eric was doing, my dad used chains and gears from heavy equipment in the steering mechanism.

My father built the first Rocket Car before I was born, but he found a second rocket and built a second car for my mother, Leanne Heitman, after I was born. These cars have been with me my entire life. I was always in the Rocket with my dad, and when I was coming of age, he

saw how much I loved it. Many times, a Rocket Car has been featured in the Macy's Thanksgiving Day Parade in New York City, and when I was little, we took one to the Indy 500.

I have drag raced a Rocket, doing over 135 mph in the quarter mile. I have driven the Rocket in restaurant drive-throughs to get my kids food—not easy, as it's 28 feet long. I also use the Rocket Cars as a

business, taking people for rides (one can seat 10 adults). Some days I'll drive people for 14 hours straight. The cars have modern disc brakes, power steering and they're registered in the state of Ohio.

You can be in the worst mood, and when you get in a Rocket Car, you're happy. People see it and smile and honk.

▲ **Jen Heitman and her son Cooper** in their Rocket Cars in Cleveland.

One of my favorite things is to take a Rocket Car to a nursing home. The cars play old amusement-park calliope music, and it takes these people back to when they were 5 years old.

My father died in 2020. But my mom still drives the Rockets. So does my brother Matt. My son Cooper is 16, and I am beginning to pass the torch to him. Matt and Cooper are the cars' head mechanics, and all the money the cars make goes back into keeping them on the road. My dad once told me, "Don't let life pass you by. It's too short." So I won't. That's my promise to him.



FROM TOP: WSJ; ISTOCK (2); WILL COOKS FOR WSJ; JOHN CONHA

DASHAUNAE MARISA FOR WSJ (3)

ARTS IN REVIEW

BY PETER COWIE

Bombarded by series, miniseries and streaming options, less and less tempted to leave the comfort of the sofa for the raucous atmosphere of the local multiplex, the movie buff might spare a thought for Ingmar Bergman's "Scenes From a Marriage," the pioneering venture that began on TV and then reached an art-house audience as a feature film. Thus the soap opera came of age.

Bergman's original five-hour miniseries aired in Sweden in the spring of 1973. But such was his renown internationally that he abridged it to make a single, 170-minute feature film, which was released in the U.S. 50 years ago this month. Counting both the TV version and the theatrical release, this became Bergman's most popular picture.

The social impact of the miniseries and the feature film proved profound at the time and across subsequent years, to such an extent that "Scenes From a Marriage" attracted stage producers in various countries, and Hagai Levi created a largely faithful remake of the show in 2021 for HBO, starring Jessica Chastain and Oscar Isaac. The sea-change in social conventions over half a century, however, provoked one dramatic shift: In this version, the wife has an abrupt affair and abandons the marriage, as opposed to the husband who did so in Bergman's original.

"Scenes From a Marriage" marked a radical departure in Bergman's approach to his public. Although he had made the occasional foray into television (notably his documentary on the island of Fårö in 1969), Bergman set his sights much higher here. He offered a forensic scrutiny of the spinal column of bourgeois life—a relationship founded on traditional precepts and reinforced with the niceties of a prosperous society. From the very first sequence, Bergman reveals the essential traits of Johan (Erland Josephson), the husband, and Marianne (Liv Ullmann), his wife of 10 years. Johan oozes complacency, describing himself as "ex-

CULTURAL COMMENTARY

A Forensic Study of a Fracture

'Scenes From a Marriage,' released in theaters 50 years ago, follows a relationship's disintegration



▲ Erland Josephson and Liv Ullmann in Ingmar Bergman's Swedish drama.

tremely intelligent, successful, youthful, well-balanced, and sexy." Marianne, despite being a lawyer, seems much more insecure, perhaps in the wake of a reckless first marriage in her late teens.

When Johan announces that he's embarked on an affair with another woman, Marianne's world pops like a balloon. At first she pleads tearfully for him to stay with her, but as the months and years pass she acquires a carapace that enables her to lead a free-spirited life while retaining an affection, and occasional erotic urge, for her estranged husband. As Johan

abandons the ideals of his youth, and slips into a mood of moral defeat, so Marianne appears to grow in authority and self-esteem. She is indeed the stronger, like so many of Bergman's women, while Johan falls victim to those two cardinal sins in the Bergman canon, indifference and mediocrity.

Few directors knew so much as Bergman about the throes of divorce. He broke up with four of his five wives, and had serious relationships with the actresses Harriet Andersson, Bibi Andersson and Ms. Ullmann. He sired nine children, but spent little time with them, just as Johan and Marianne's two children are seen only fleetingly in the TV series and not at all in the film version.

So the mood and dialogue have

an authenticity that transcends their theatrical context. And what dialogue! The screenwriting in the first episode serves as an object lesson in how to construct and balance a sequence, each line tightening the spiral of tension, each cut like the kiss of a naked blade.

August Strindberg, Sweden's greatest dramatist, flayed alive the concept of marriage, showing husband and wife locked in a war of attrition that has no victor. Bergman pursues this tradition, satirizing the Swedish bourgeoisie, and along the way underlining its dependence on externals—possessions, the obligatory summer cottage, vacations, and creature comforts like liquor, coffee and cigars. Johan and Marianne may have a high income, but they can

appear all too often emotionally bankrupt.

Although its pajamas and neckties are no longer *de rigueur* for the middle-class male, "Scenes From a Marriage" has weathered the years with startling potency. There are few contemporary political or cultural references to clog the dialogue. Nor do the conversations soar into those metaphysical realms that many find irritating in Bergman; rather, they are sheet-anchored in reality. Close-ups predominate—tight close-ups that record the slightest of emotional reflexes. As Johan sits munching a sandwich just before he confesses his affair to Marianne, his eyes radiate that distracted, absent-minded look of a person lost in the first stages of love.

Like many a great achievement in arts, "Scenes From a Marriage" offers a mirror reflecting our very own deepest feelings. Tenderness goes hand in hand with moments of unexpected violence. Yet despite the couple's incessant wrangling, the film ends on an optimistic note. The fact that the HBO remake offers a pessimistic conclusion may be due to the evolution of both social behavior and filmmaking across half a century, with more and more couples choosing to live together without accepting the traditional obligation of marriage.

Mr. Cowie is the author of "God and the Devil: The Life and Work of Ingmar Bergman," published earlier this year by Faber and Faber.

SHUTTERSTOCK

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF SEPTEMBER 17

By WSJ ARTS IN REVIEW STAFF

Film

"The Substance"

(Sept. 20)

Demi Moore stars alongside Margaret Qualley and Dennis Quaid in Coralie Fargeat's body-horror flick about an aging fitness celebrity who uses a questionable serum to create a younger, more beautiful, better version of herself—but it comes with terrifying side effects.



▲ A scene from 'Transformers One.'

"Transformers One"

(Sept. 20)

The blockbuster robots-in-disguise franchise morphs back to its animated form for the first time in decades with this story of the early relationship between Optimus Prime and Megatron. Josh Cooley ("Toy Story 4") directs voice cast that includes Chris Hemsworth, Brian Tyree Henry, Scarlett Johansson, Steve Buscemi, Keegan-Michael Key, Lawrence Fishburne and Jon Hamm.

TV

"High Potential"

(ABC, Sept. 17)

Kaitlin Olson ("It's Always Sunny in Philadelphia") stars in this detective dramedy about a single mom working as a janitor at a police precinct who shows a preternatural aptitude for crime solving and

is partnered with a strait-laced investigator.

"A Very Royal Scandal"

(Prime Video, Sept. 19)

Based on the headline-grabbing interview with Prince Andrew (Michael Sheen) by BBC journalist Emily Maitlis (Ruth Wilson), this dramatization comes from the same production team that created "A Very English Scandal" (about the Jeremy Thorpe affair) and "A Very British Scandal."

Stargate. It includes guest spots from 21 Savage and Kim Petras as well as the much-discussed single "Woman's World."

Exhibitions

"Africa's Fashion Diaspora"

(The Museum at FIT, New York, Sept. 18-Dec. 29)

Sixty ensembles and accessories by black designers across the globe show the ways these artists take inspiration from their individual cultural backgrounds and draw on the broader diasporic community to shape their creations.

Art

"Madayin: Eight Decades of Aboriginal Australian Bark Painting From Yirrkala"

(Asia Society Museum, New York, Sept. 17-Jan. 5, 2025)

Curated by Yolŋu knowledge holders from Arnhem Land

in Northern Australia, this show exposes American audiences to the history of Aboriginal Australian bark painting, which is not just decorative but patterned on the ancestral land itself, blending the beautiful and the sacred.

Last Call

"Georgia O'Keeffe: My New Yorks"

(Art Institute of Chicago, through Sept. 22)

An exhibition showcases the painter's rarely discussed life in the city, illuminating the range of her achievement. Our critic said the exhibition "reveals that modernism's quintessential desert wilderness painter was as at home in the Big Apple as she was in the Land of Enchantment."

About the divorce of the Duke and Duchess of Argyll).

Theater

"Safety Not Guaranteed"

(BAM Strong, Harvey Theater, Brooklyn, N.Y., Sept. 17-Oct. 20)

Based on the film by director Colin Trevorrow and writer Derek Connolly, this indie-rock musical—with music and lyrics by Ryan Miller and book by Nick Blaemire—follows a journalist (Nkeki Obi-Melekele) who responds to a classified ad posted by a loner (Taylor Trensch) looking for a companion to travel back in time with him. Obie Award winner Lee Sunday Evans directs.

Music

"Katy Perry, '143'"

(Sept. 20)

The pop star's seventh studio record is a dance-party album on which she teams again with producers Max Martin, Dr. Luke and

in Northern Australia, this show exposes American audiences to the history of Aboriginal Australian bark painting, which is not just decorative but patterned on the ancestral land itself, blending the beautiful and the sacred.

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For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com.

The WSJ Daily Crossword | Edited by Mike Shenk



READ THE FINE PRINT | By Rachel Fabi & Benjamin Panico

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- 28 Ref. that added "jillionaire" in 2024
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- 2 Opposition leader?
- 3 Capella or Canopus
- 4 Gelato brand in clear jars
- 5 Short musical phrase
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- 25 Stressful tests

Previous Puzzle's Solution

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

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

SPORTS



TOMMY GILLIGAN/REUTERS, RON JENKINS/GETTY IMAGES

Weekend Full of Surprises in NFL

The Saints are off to a historic start, while the Raiders pulled off a shocking upset in Baltimore

By ANDREW BEATON

For more than three years now, ever since legendary quarterback Drew Brees retired in 2021, the New Orleans Saints have been caught in football purgatory.

They weren't quite good enough to make the playoffs, despite posting two winning seasons. And they weren't quite bad enough to bottom out and engineer a full reset. This season, according to most outside expectations, was supposed to look exactly the same as the last three—scraping to try to grab a playoff spot inside a weak division.

Which is why what's unfolding on the field this season is especially shocking: the Saints are off to one of the most explosive starts in NFL history.

It was easy to wonder whether it was an anomaly when the Saints pummeled the lowly Carolina Panthers 47-10 in the opening week of the season. But then they followed that up with Sunday's 44-19 dismantling of the Dallas Cowboys, a Super Bowl contender that had one of the league's top defenses last year. Altogether, the Saints have piled up the second most points that any team has scored in its first two games since the AFL-NFL merger.

Those numbers suggest that the Saints' hot start to the season is likely to translate into a pretty

good finish.

In total, there have been 17 teams that averaged at least 40 points in their first two games, and those teams have gone on to win 67.5% of their games in that season. More importantly, the only two teams that have scored as many points as this year's Saints both went on to win the Super Bowl.

That likely won't come as a complete surprise to Saints fans: the team that leads the list is none other than the 2009 Brees-led Saints, who scored 93 points in the first two weeks. Digging further back in history, the 1971 Cowboys matched the Saints with 91.

What does count as a surprise is that this year's Saints look so improved despite featuring much of the same personnel as they did a year ago. But an offseason move to modernize the team's offensive scheme has brought the best out of quarterback Derek Carr, who at 33 years old is playing some of the most impressive football of his career.

"In this offense, it allows me to do a lot of the things that I like to do," Carr said.

In the wake of Brees's retirement, the Saints cycled through quarterbacks before landing Carr in free agency ahead of last season.

Yet even as the guy lining up under center kept changing, the offense stayed mostly the same. They were

often using the same ideas that worked when New Orleans had an all-time great with historic accuracy at quarterback, even though Brees was no longer the one running the show.

That changed after last season, when the Saints replaced their offensive coordinator with Clint Kubiak, who had been working under San Francisco 49ers coach Kyle Shanahan. That meant replacing a playbook that had been growing stale with an offense directed by someone who had been part of perhaps the NFL's most cutting-edge attack. Teams across the league have seen their offenses leap after importing a Shanahan disciple.

That's exactly what has happened in New Orleans, where even just a couple games has made clear how much the Saints have modernized their play-calling.

In Sunday's win over the Cowboys, Carr used play action on nine of his 17 dropbacks—his highest rate in a game over the last nine years, according to the NFL's Next Gen Stats. And on those nine play-action passes, Carr was extremely effective, com-

pleting six of them for 148 yards and a touchdown, along with an interception.

The Saints used pre-snap motion on 74% of their plays as they dissected the Dallas defense. On those plays, they averaged a whopping 9.5 yards. Pre-snap motion and play-action passes are both hallmarks of Shanahan-style schemes—and it's a jarring shift from what the Saints were doing just a year ago. In 2023, New Orleans was last in the NFL in play action and in the bottom six in terms of motion.

Still, not every team with a blazing hot start panned out. Notably, the Indianapolis Colts sank to 6-10 in 2001 with Peyton Manning under center. The dud was immortalized by a famous rant from coach Jim Mora when he was asked about the team's postseason chances during the slide.

"Playoffs?" he said. "Don't talk about playoffs. You kidding me? Playoffs?"



JASON GAY

Tua Tagovailoa Has a Life Decision to Make—Not a Football One

For now, it's Tua Tagovailoa's choice. Not mine, not yours, not a choice for the Miami Dolphins, the fans, the media, or even the loved ones inside the quarterback's inner orbit.

It remains the football player's decision to make. Until football makes the decision for the player.

In the meantime, almost everyone has an opinion about what Tagovailoa should do, after another frightening concussion drove the 26-year-old quarterback out of an NFL game.

We're right back where we were two seasons ago. *Tua should retire. Tua should come back. Tua should take a year off to decide what he wants. Tua should be allowed to just...be.*

The Dolphins say they won't push him, naturally. Miami head coach Mike McDaniel, here before, begged the public not to rush the process.

"When you talk about somebody's career, I think it probably is only fair their career is decided by them," McDaniel said.

That makes sense. That sounds humane. The sober routine is familiar. No one's a brute about it, like in the old days. We tamp down the tough talk and don't let tacky concerns about wins and losses interfere. We stand at respectful attention and wait until football resumes and buries the subject.

Because football always resumes. The Dolphins have a road game at Seattle next Sunday.

With Tagovailoa—and I think McDaniel agrees here—we're long past the football aspect. With his history of head injuries, including at least two high-profile concussions during the 2022 season, Tagovailoa's consideration has to be



Dolphins quarterback Tua Tagovailoa, right, is consoled by Jonnu Smith, center, and coach Mike McDaniel.

everything besides football, and the quality thereof.

It has to be family and children and all the quiet beautiful details that make up a life.

That's what has to matter. Tagovailoa's career needs to be secondary—as difficult as that may be for an ultra competitive athlete whose life until now has been defined by a sport.

Easy for us on the sidelines to say, of course. But it's been striking to see hard-core NFL people tell him to walk away. "It's not worth it," said the Raiders coach, Antonio Pierce, a nine-year playing veteran. Former players Shannon Sharpe and Dez Bryant urged him to consider shutting it down.

The most heartbreaking plea

came from retired pro Manti Te'o

on the NFL Network show "Good Morning Football."

Te'o has known Tagovailoa since they were young players coming up in Hawaii. He said he wanted his friend to step aside in 2022.

"I want the best for Tua the man, the father—he's a father of two now," Te'o said. "I want him to be able—not today, but 10, 15, 20 years down the line, to be able to raise his children, to be able to walk his daughter down the aisle...that's what I want. That's true joy."

Te'o talked about the collision in the Thursday game, how observers wished he hadn't charged head-first trying to get a first down.

How come he didn't slide?

They didn't understand the

competitor, Te'o said. They probably didn't understand what they were looking at when a dazed Tagovailoa slowly walked off the field, gritting his teeth.

Te'o understood.

"I don't even know if Tua's there as he's walking off the field," Te'o said.

What a harrowing comment, on the league's own network. It should stick to our bones. Te'o's talking about a brain injury—concussion is a term used so often it's become almost neutral.

Less than two days later, football was back at it, a full Sunday slate, stadiums and living rooms abuzz to the great national ritual. Tua was in the rear view; the testimonies and settlements of the prior decade feel like they hap-

Gardner Minshew led the Las Vegas Raiders to a 26-23 upset win over the Baltimore Ravens.

The Data

In an unexpected rout, the Arizona Cardinals destroyed the Los Angeles Rams 41-10 on Sunday. The win featured quarterback Kyler Murray connecting on two touchdowns with rookie standout Marvin Harrison Jr., who ended the day with 130 receiving yards and two touchdowns.

Throughout the afternoon, Murray excelled while unleashing deep balls. He connected on all five of his passes at least 20 yards past the line of scrimmage, accounting for 156 of his 266 passing yards and all three of his passing scores.

According to the NFL's advanced modeling, the chances of him completing all five of those deep attempts? Just 0.3%.

The Decision

Over the offseason, the Las Vegas Raiders brought in journeyman quarterback Gardner Minshew as an option for new coach Antonio Pierce. It's already paying dividends.

After winning the job, Minshew just delivered one of the signature upsets of the new NFL season.

On the road against the Baltimore Ravens, he led the Raiders to a shock 26-23 victory. Down by seven midway through the fourth quarter, Minshew led a nine-play, 70-yard drive to knot the game up before getting the Raiders into position for the game-winning field goal with under a minute left. He finished the game completing 30-of-38 passes for 276 yards with a touchdown and an interception.

The Raiders may have an uphill climb to nab a playoff spot in a division that includes both the Kansas City Chiefs and the Los Angeles Chargers. But a couple of weeks in, the Minshew-led Raiders have already surprised one contender.

The Debate

In the AFC North, Joe Burrow and the Cincinnati Bengals are 0-2, and so are the Lamar Jackson-led Baltimore Ravens. And the lone undefeated team atop the standings? The Pittsburgh Steelers.

Pittsburgh began the season expecting to start veteran Russell Wilson under center, but a calf injury led to Chicago Bears castoff Justin Fields getting the nod in the opening two games. And while the offense hasn't been pretty—it has scored just 31 total points so far—it has been enough to produce back-to-back wins.

The Steelers so far look to have one of the NFL's best defenses, and could be poised to make a surprise run even though they were an afterthought within their own division. But once Wilson is ready to return, they'll have to figure out if they should give him his job back—or whether they should stick with what's working.

pened eons ago. The NFL is entertainment with a narcotic edge, and we're in no rush to soak in the side effects.

Players tell us about the side effects, and if they don't, the weekly list of the injured serves as a reminder. (How surreal is it that Tagovailoa's most recent collision came with Buffalo's Damar Hamlin, whose on-field cardiac episode in 2022 stunned the game?)

The sport talks up fresh rules to protect players and advances in helmet technology, but this is still the blunt physics of force meeting force. You can't take the football out of football. It's always been a game requiring a strong helping of cognitive dissonance to play and watch. The players and the public have accepted the terms.

Tagovailoa accepted the terms, as did the Dolphins, eagerly. In 2022, the Miami QB was a symbol of the frailty of a football life. A season later, he avoided injury and had a career year, earning a \$200 million-plus contract.

It was a jarring shift. Underneath was the same, vulnerable guy. That's the thing here: Football is ruthless, and if you don't remember that, the game finds a way to remind you. Almost no one finishes a career unscathed. The cautionary tales are abundant.

Common sense told us it was only a matter of time before an episode like last Thursday's happened. Common sense says that it will happen again.

On Sunday ESPN reported that while there is no timetable for his return, Tagovailoa wasn't considering retirement as he made plans to meet with neurologists.

That's a luxury, that it's his decision to make. Tua Tagovailoa can still consider his options, and not let football decide for him.

OPINION

The Man Who Is Hong Kong

MAIN STREET
By William McGurn

Newspaperman Jimmy Lai sits in a Hong Kong jail cell because he tried to keep alive the freedoms that once made this city a beacon of hope and opportunity. John Lee, Hong Kong's chief executive and former top cop, helped put him in that cell, and is under U.S. sanctions for his role in enforcing the special administrative region's draconian new National Security Law.

These are the two faces of today's Hong Kong. The question is which face represents Hong Kong's tomorrow.

Mr. Lai founded the popular pro-democracy newspaper Apple Daily. Once celebrated as the embodiment of Hong Kong's dynamism, he has been on trial since December as a threat to China's and Hong Kong's national security. One of his lawyers says he is guilty only of practicing journalism. In Mr. Lee's Hong Kong, that can get you a life sentence.

"Jimmy Lai's story is Hong Kong's story, and his fate is Hong Kong's fate," says Mark Clifford, a former director of Mr. Lai's media company Next Digital and author of "The Troublemaker," his forthcoming biography of Mr. Lai.

"Jimmy snuck into Hong Kong when he was a penn-

less, 12-year-old boy. Like so many in Hong Kong, he came to escape hunger and found freedom. And when he became wealthy, he made it his life's work to defend those freedoms."

The pre-John Lee Hong Kong, where I lived (and became Mr. Lai's godfather), was a place where free spirits flourished. But all that changed after Xi Jinping was named general secretary of the Chinese Communist Party in 2012 and Mr. Lee ascended to the top post in Hong Kong in 2022.

As chief executive, Mr. Lee would have the world believe that locking up democracy advocates and shutting down newspapers is business as usual for a world financial center. His government is outraged by Mr. Lai's latest move: His international legal team has just filed a complaint with the United Nations Special Rapporteur on Torture.

Abuses alleged include keeping him in solitary confinement for most of his 3½ years in jail, denying him Catholic communion, providing him inadequate medical care, and depriving him of sunlight. The Hong Kong government slammed claims about bad treatment as "unreasonable smears." But would the word "torture" ever even be used in the same sentence as Hong Kong before Mr. Lee took charge?

It's all part of the pressure to get Mr. Lai to plead guilty.

A guilty plea would feed the

government narrative that Hong Kongers have no desire for freedoms and took to the streets only because Mr. Lai—as part of a U.S.-directed plot to destabilize China—whipped them up.

As the 2021 seizure of Apple Daily illustrates, Mr. Lee's Hong Kong is a place where the government can take your property without any judicial review—in Mr. Lai's case, his thriving

The city's public face is no longer a dynamic entrepreneur but a dour ex-policeman.

newspaper—and chuck people in jail for singing a song called "Glory to Hong Kong" or putting out an errant tweet. So it's perhaps fitting that the face of this new Hong Kong is a dour ex-policeman rather than an ebullient entrepreneur.

Mr. Lai's national-security trial is paused—again—until late November. Though the prosecution's case has been exposed as weak and the negative publicity has given the Hong Kong government a black eye, officials are too invested in their portrait of Mr. Lai as Carlos the Jackal to admit they made a huge mistake putting him on trial. The government's best bet now is to send out the word quietly that it would be open to a deal once it gets the

face-saving conviction it demands.

Thanks to Mr. Lee, the government's alternatives are all bad: more sanctions, more international condemnation, more questions about Hong Kong's attractiveness as a place to invest and do business. Mr. Lai is 75, suffers from diabetes, and has been proposed for a Nobel Peace Prize. There is a precedent Mr. Lee should not want: In 2010, Liu Xiaobo was awarded the Nobel while in prison in China for writing a pro-democracy charter—and would later die in custody.

Mr. Lee has a personal stake as well. The U.S. sanctions make him an international leper, which is why he didn't attend last year's meeting of the Asia-Pacific Economic Cooperation forum in San Francisco. So it isn't hard to envision a deal in which the U.S. agrees to lift sanctions in return for Mr. Lai's release after his conviction. That, in turn, would make other deals possible.

Just before he died in 1989, another Chinese newspaperman, Tsang Ki-fan, gave his own take on what made Hong Kong so special. For a brief period of 100 years, he said, Hong Kong realized an ideal that no Chinese society had ever before known: freedom from the midnight knock on the door.

"The midnight knock has now come to Hong Kong," Mr. Clifford says. "And its face is John Lee."

Write to mcgurn@wsj.com.

BOOKSHELF | By Andrew Nagorski

Captured And Confined

Prisoner of Lies

By Barry Werth

Simon & Schuster, 448 pages, \$30.99

In the spring of 1951, John Thomas "Jack" Downey was one of about two dozen Yale seniors who gathered in the home of a political-science professor, an aristocratic Swiss émigré, to meet with a recruiter from the recently formed Central Intelligence Agency. The visitor spoke of parachute drops behind enemy lines to organize anticommunist resistance fighters. "It all sounded irresistibly adventurous to young men like us," Downey recalled.

Having grown up on tales of derring-do by the Office of Strategic Services, the CIA's World War II predecessor, and faced with the Korean War, Downey and many of his classmates rushed to sign up. They "burned with innocence, patriotism and piety," Barry Werth writes in "Prisoner of Lies: Jack Downey's Cold War."

An artfully constructed biography of a young American who ended up in a Chinese prison for 20 years and three months, Mr. Werth's book is also a vivid chronicle of an era filled with intrigue and with lies that only added to the tragedies of those enmeshed in them.

Downey's early life looked highly privileged. He was born into an Irish-Catholic clan in Connecticut, which included his uncle Morton Downey, the singer and radio host. At Choate, the all-male prep school, Jack was a star wrestler and excelled academically. He applied to only one college, Yale, since there was no doubt he would be accepted.

None of this came easily. Downey's father, a respected local judge, died in a car accident when Jack was 8, leaving his mother and her three children with drastically reduced means. Jack picked up a variety of jobs, including caddying and delivering newspapers, and Choate was only possible thanks to a scholarship. He was disciplined, religious—and eager to make the most of every opportunity.

The CIA was fixated on the idea of parachuting exiles into communist countries to organize insurgencies, although its attempts to do so in Albania had already resulted in disaster. In Asia that meant training former Chinese soldiers for similar missions. As a newly minted CIA officer, a 22-year-old Downey was sent to Japan to support those efforts. In his prison memoir, published posthumously, he admitted that he had doubts about "teaching Chinese soldiers twice my age, asking them to follow our orders to infiltrate their own country."

Eager for action, he volunteered for a flight out of South Korea to resupply a group of Chinese soldiers recently dropped into Manchuria. Although CIA officers were not supposed to fly over hostile territory, Downey and another junior CIA man, Richard Fecteau, were allowed on board—with strict instructions to deny any affiliation with the agency if they were shot down.

Which was exactly what happened to their C-47 on Nov. 29, 1952. The two pilots were killed, but Downey and Fecteau survived. Their greeting party was well prepared, since the exiles who had been parachuted in earlier had either confessed or were double agents to begin with. "You are Jack," a Chinese officer told him. Downey stuck with an alias and the flimsy cover story that he was a civilian employee of the Army on a flight that had gone off course, but he had no chance of fooling his captors.

Mr. Werth chillingly portrays the sense of total isolation Downey felt as his interrogators ramped up the pressure for him to come clean. The CIA was convinced that the disappearance of the C-47 meant that all on board had perished. At headquarters, Mr. Werth writes, "regret alternated with relief," since no one wanted to admit the nature of their mission. Prison guards mercilessly taunted Downey. "We can do whatever we want with you. . . . No one knows you're alive," they declared—and they were right.

After his plane was shot down over China, Jack Downey of the CIA was taken prisoner. He was held captive for more than 20 years.

Kept in shackles, deprived of sleep, minimally fed and increasingly despondent, Downey held out for 16 days before confessing that he worked for the CIA. His spirits revived when he discovered that Fecteau was in a cell nearby, which meant he was not completely alone. Knowing he could no longer lie outright to his captors, he decided to write a "confession" that would "bury them" in meaningless autobiographical details. He produced more than 3,000 pages over eight months.

It was not until two years later that Downey and Fecteau were put on trial. Portrayed as the "chief culprit," Downey received a life sentence and Fecteau 20 years. China's public announcement about the trial stunned Washington—and the families of the men, who had been told they were presumed dead.

Secretary of State John Foster Dulles protested the verdicts, reviving the cover story that they were civilian employees of the Army who had been lost on a flight from Japan. Mr. Werth persuasively argues that it was the refusal of successive administrations to admit the truth that scuttled hopes for the men's early release, despite intermittent back-channel negotiations in Warsaw.

But conditions for the captives improved markedly. They were allowed to correspond with their families—and to see them when they visited China. Downey filled his days "with monkish activity," as Mr. Werth puts it, reading, learning Russian, exercising, and following the much-delayed news and sports he could glean from the magazines he received. He concluded that his fate was "in God's hands, not my captors'."

Fecteau was released in 1971, and Downey won his freedom in 1973, after Richard Nixon's breakthrough visit to China the previous year. The visit included an admission about whom Downey worked for. Downey rebuilt his life with the same quiet determination he demonstrated in prison: He attended Harvard Law School, and followed in his father's footsteps by becoming a judge in Connecticut. He also married a Chinese-American woman.

Even after he learned the extent of his government's failures to free him, Downey bore no grudges. The CIA awarded him and Fecteau the Distinguished Intelligence Cross in 2013, a year before Downey's death, at age 84. Mr. Werth's riveting book is an eloquent tribute to Downey's steadfast character and courage.

Mr. Nagorski is the author, most recently, of "Saving Freud: The Rescuers Who Brought Him to Freedom."

U.S. Shrugs as World War III Approaches

GLOBAL VIEW
By Walter Russell Mead

The news from abroad is chilling. Washington Post columnist David Ignatius reports from Kyiv that Ukraine is "bleeding out" as its weary soldiers struggle against a numerically superior Russia. The New York Times reports that China is expanding the geographical reach and escalating violence in its campaign to drive Philippine forces from islands and shoals that Beijing illegitimately claims. And Bloomberg reports that Washington officials are fearful that Russia will help Iran cross the finish line in its race for nuclear weapons.

These stories, all from liberal news outlets generally favorable to the Biden administration, tell a tragic and terrifying tale of global failure on the part of the U.S. and its allies. China, Russia and Iran are stepping up their attacks on what remains of the Pax Americana and continue to make gains at the expense of Washington and its allies around the world.

What none of these stories do is connect the dots by analyzing the consequences of repeated American failure on the widely separated fronts of the international contest now taking place. To see what this all means and where it is leading, we must turn to the recently released report of

the Commission on the National Defense Strategy. This panel of eight experts, named by the senior Republicans and Democrats on the House and Senate Armed Services committees, consulted widely across government, reviewing both public and classified information, and issued a unanimous report that, in a weary political climate, would be the central topic in national conversation.

The bipartisan report details a devastating picture of political failure, strategic inadequacy and growing American weakness in a time of rapidly increasing danger. The U.S. faces the "most serious and most challenging" threats since 1945, including the real risk of "near-term major war." The report warns: "The nation was last prepared for such a fight during the Cold War, which ended 35 years ago. It is not prepared today."

Worse, "China and Russia's 'no-limits' partnership, formed in February 2022 just days before Russia's invasion of Ukraine, has only deepened and broadened to include a military and economic partnership with Iran and North Korea. . . . This new alignment of nations opposed to U.S. interests creates a real risk, if not likelihood, that conflict anywhere could become a multitheater or global war."

Should such a conflict break out, "the Commission finds that the U.S. military lacks both the capabilities

and the capacity required to be confident it can deter and prevail in combat."

To summarize, World War III is becoming more likely in the near term, and the U.S. is too weak either to prevent it or, should war come, to be confident of victory.

A more devastating indictment of a failed generation of national leadership could scarcely be penned.

A devastating report on global threats and American weakness is met with indifference.

This is not, or should not be, a partisan issue. No recent president and no party escapes responsibility for our current plight. Red and blue America will suffer equally if the global slide toward war continues unchecked.

Even more appalling than the report is the general indifference with which it has been received. Aside from a few honorable exceptions (including a Wall Street Journal opinion piece by Shay Khatiri and Senate Minority Leader Mitch McConnell's clear-sighted advocacy), the commission's report sank like a stone. There has been no uproar in the press, no speechifying by presidential candidates, no storm on social media, no sign that the American political class takes the slightest interest in the in-

If history teaches anything, it is that decadence this deep, carried on this long, entails enormous costs. Our adversaries' conviction that the inattention of a flabby political class is bringing the Pax Americana to an inglorious end is a key reason why nations as suspicious of one another as China, Russia, Iran and North Korea have chosen this moment to make common cause against us.

The prophet Ezekiel spoke about the duty of the watchman on the city wall to sound the trumpet when enemies approach. The Commission on the National Defense Strategy has fulfilled its mission. But judging from the indifference with which its report has been greeted, more and louder trumpets need to sound. Not since the 1930s have Americans been this profoundly indifferent as a great war assembles in the world outside, and not since Paul Revere traversed the dark country lanes of Massachusetts have Americans more urgently needed to rouse themselves from sleep.

With all his clothes on, Mr. Bowman said, he jumped into the water. Someone in the heart of his hometown was in trouble, and someone had to help.

"I grabbed him and I pulled him out of this well where the fountains are," Mr. Bowman said. "It was like there was suction pulling him in." The child was trembling, terrified: "He was too afraid to cry. I carried him out of the water."

Springfield is in the headlines this week for unhappy reasons. But for more than 30 years, whenever I have heard the city's name, I think of that evening when someone needed a stranger to care, and the caring stranger, without hesitation, came to the rescue. It happens every day in towns all over this country, and seldom does it make the news.

He was 26, a restaurant manager in town. He told me that he had come to the festival with his wife and daughter, and as they arrived, "we saw these kids wading in the pool. I saw some arms sticking out of the water. It didn't make sense—the water was so shallow.

"But then I saw the child's head. It was under the water, and then it came up and disappeared. He seemed like he was trying to scream, but he was swallowing water and he

couldn't."

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What Happened in Springfield, Ohio?

By Bob Greene

It was around dusk in Springfield, Ohio. This was late spring in 1990. I was passing through town and heard some music. A local festival was going on. I followed the sound of the guitars to City Hall Plaza.

People were listening to the band, eating carnival food, drinking soda pop and beer. In a large reflecting pool on the plaza, children were splashing about. The water was maybe 6 inches deep.

The band was loud, the crowd happy. And then I saw it: a woman running up to a police officer and, alarm in her voice, saying: "A boy is missing!"

He had been in the reflecting pool, she said, and other children told her they couldn't find him. The officer walked to the edge of the pool. Some items of children's-size clothing were on a line of fountains spouting

into the air. The rest of the pool was shallow, but the wells surrounding the fountains were three or four feet deep.

More officers arrived. I saw one jump into the water and start feeling around the bottom. There were shouts for the other children to get out.

A 3-year-old boy would have drowned, but Rodney Bowman sprang into action.

Most people at the high-decibel festival were looking at the bandstand, unaware anything was wrong.

Officers reached desperately into those wells around the fountains. A woman—the child's mother—was sobbing, telling an officer that her son was 3.

The cops in the water kept searching beneath the sur-

face. And then another officer came running. In the arms of someone next to him was a 3-year-old boy, soaked, pure fear in his face.

The officer said: "Ma'am, a man named Rodney Bowman pulled your little boy out."

Having reunited mother and child, the police reminded her not to let him out of her sight in big crowds, and the festival went on. I stayed the night in Springfield, and the next morning I was able to find where Mr. Bowman lived.

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OPINION

REVIEW & OUTLOOK

Has the Fed Learned Any Lessons?

The Federal Open Market Committee meets this week, and investors are speculating whether Federal Reserve Chairman Jerome Powell will cut interest rates by 25 or 50 basis points. We have a different question: Has the Fed learned anything from its inflationary debacle?

As the central bank pivots from its tightening cycle, Fed triumphalism is in the air. Inflation is said to be vanquished, the fabled soft landing has arrived, and Mr. Powell and his mates are hailed as financial heroes. The Fed can now get back to the business that Wall Street and the financial press want, which is cutting rates (50 points please!) and getting the financial party restarted.

* * *

Sorry to be a spoilsport, but humility is more appropriate than hagiography. The Fed has made considerable progress in reducing inflation from its 9.1% peak in June 2022, and for that it deserves credit. But no one should forget the monetary mistakes that led to the worst inflation in 40 years.

The Fed calculated that it could monetize an unprecedented peacetime government spending blowout without triggering inflation. When inflation did begin to accelerate, the central bank said not to worry. It was "transitory," the result of supply-chain obstacles caused by the pandemic. So the Fed stayed too easy for too long—the same mistake it made in the mid-2000s that fed the housing boom that turned to bust and the financial panic.

No one should forget either the cost this inflation burst has imposed on average Americans in a lower standard of living. The price of nearly everything is higher—about 20% higher overall since January 2021—while real wages haven't kept up. Prices are rising less rapidly now, but they aren't going back down. Housing is also much less affordable in part because interest rates had to rise to reduce inflation.

This has meant real hardship for tens of millions of wage earners without nest eggs in financial or real-estate assets. The Fed's grand monetary experiment since 2008—near-zero interest rates, bond-buying to keep long rates low—have been wonderful for Wall Street and the wealthy. They haven't been nearly as great for the middle class that survives on salaries and meager savings.

The Fed nonetheless feels it's time to ease money again, and at this point it has little

The central bank wants to declare victory but hasn't explained its mistakes.

choice. Failing to cut rates this week would hurt the Fed's credibility after so much signaling. But some humility would help here too, as the Fed navigates a return to its 2% target that it still hasn't reached.

While the labor market has softened, overall financial conditions aren't all that restrictive. There's plenty of liquidity around, equity prices have boosted the wealth effect on consumer spending, and the prices of gold and other commodities are up. The Chicago Fed's financial conditions index has been signaling easier conditions of late as well.

Mr. Powell has also been signaling, and may announce soon, a further slowing in the pace of quantitative tightening (QT). Thus it appears the central bank's balance sheet will remain permanently larger than it was before 2020. This is supposed to allow the Fed to meet commercial banks' increased demand for reserves. But the looming end of QT is also another signal that easier money is coming. Does this mean that the era of vast bond-buying is here to stay, to be triggered again at the first sign of an economic slowdown?

We don't agree with those who say a cut in rates this week is political or intended to help Kamala Harris. The real risk for the Fed is if it embarks on a monetary easing cycle that stops the current disinflation and causes prices to rise again. This would do far more harm to the Fed's credibility than disappointing financial markets with a slower pace of rate-cutting than Wall Street aches to see.

* * *

The larger point is that Fed officials haven't shown much evidence of introspection over what caused inflation—or for that matter why it has come down without triggering a recession. Mr. Powell took a cautious stab at it in his recent Jackson Hole speech. But his analysis leans heavily on the supply-chain disruptions of the pandemic and excessive spending that boosted demand.

There wasn't much if any reflection on the Fed's role, or why its internal models were so wrong on the direction of the economy and prices. In the end he seems to blame "the pandemic economy" that "has proved to be unlike any other." Perhaps so, but that isn't reassuring about the future of monetary policy.

Whatever Mr. Powell does, better to keep the corks in the champagne bottles until we know the Fed's moves have worked—or, better yet, why and how.

The New Gangs of New York

Which are a bigger menace in big American cities—gangsters or corrupt government officials? Sometimes it's hard to tell the difference.

A sad case in point came Monday when the Justice Department unsealed charges against two former New York City firefighter chiefs for allegedly taking bribes in return for expediting permits.

The indictment says the two ex-chiefs, Anthony Saccavino and Brian Cordasco, conspired with a retired firefighter who ran an "unsanctioned" business to fast-track fire department building reviews in return for payments. The retired firefighter paid kickbacks to the chiefs for expediting customer permits.

Messrs. Saccavino and Cordasco allegedly raked in more than \$190,000 from this scheme, on top of their roughly \$260,000 salaries. Call

it the art of the government steal.

According to the indictment, the city fire department maintained a special list to prioritize reviews of projects flagged by "City Hall stakeholders." Because wait times for other projects "were unusually long," businesses hired "filing representatives" to "navigate the complicated" permit process. The ex-chiefs spotted an, er, business opportunity in cutting red tape for businesses that lack the political influence with city leaders to get easy approval.

Their indictment comes amid a corruption probe swirling around Mayor Eric Adams's administration. His chief counsel and police commissioner have stepped down in recent days, and several appointees had their homes raided last week. As government power expands over private business, so do the opportunities for corruption by public officials.

Machinists Strike While Boeing Is Weak

Talk about a rough takeoff. A month into his new job, Boeing CEO Kelly Orthberg is having to steer through choppy labor negotiations amid a financial squeeze. On Friday some 33,000 International Association of Machinists and Aerospace Workers at Boeing plants in Seattle and Portland voted to strike after rejecting a new contract endorsed by their union leaders.

The contract would have provided an average 25% raise over four years, with bigger increases in minimum pay for varying job classifications. An aviation maintenance technician and inspector would start at \$35 an hour—up from the current \$24—and max out at \$55.97. The lowest rank would begin at \$20—up from \$15—and top out at \$26.32.

Boeing also agreed to kick in \$4,160 more a year to employee 401(k)s, on top of \$5,200 in employer matches and other contributions. The contract also reduced worker health premiums and boosted prescription drug benefits. This seems like a generous offer at a time that many employers are paring benefits.

But workers want larger raises to make up for inflation over the past few years, as well as restoration of defined-benefit pensions that Boeing scrapped a decade ago because of their ballooning costs.

Trouble is, Boeing is flying into financial headwinds owing to problems of its own making. It has been required by the government to ground planes after crashes of its 737 Max in 2018 and 2019 and slow production after a mid-flight panel blowout in January. A National Transportation Safety Board review this year found myriad production problems.

The company has paid \$2.5 billion to settle claims by the Justice Department and airlines over its 737 Max. Add billions of dollars in cost

Biden backs the union after it rejects a generous contract.

overruns on fixed-price defense and space contracts, and the U.S. aerospace giant has lost more than \$25 billion over the last six years, with \$12 billion in debt coming due over the next two years. Buckle up, shareholders.

Moody's warned Friday of a credit-rating downgrade to junk if the strike drags on, which would make it harder to refinance maturing debt. Its 2008 strike cost the company \$100 million a day in revenue. Boeing and Airbus have a duopoly in large airplane manufacturing, but Boeing is losing market share and China's state-backed Comac is wooing airlines in lower-income countries. Losing contracts won't help Boeing workers.

The strike vindicates Boeing's decision to shift some production in 2011 to a non-union factory in North Charleston, S.C., and could spur it to make more future planes there. Manufacturing employment in the Seattle metro region has fallen by 19,300 over the last decade while increasing by 10,200 around North Charleston.

Unhelpful as usual, the White House press secretary Karine Jean-Pierre on Friday said Boeing needs to "negotiate in good faith and work towards an agreement that gives employees benefits that they deserve." This suggests the Administration thinks the company is short-changing workers, which will embolden the rank-and-file to strike for more than Boeing can feasibly offer.

Step back, and the Boeing strike is an advertisement for right-to-work states where workers aren't compelled to join unions. Average manufacturing wages have grown three times faster in South Carolina than in Washington state in the last decade. Boeing workers would do better in the long run if they moved to South Carolina.

LETTERS TO THE EDITOR

Friction, Not Fraud, Is the Health-Cost Culprit

Regarding Charles Silver and David Hyman's op-ed "You Aren't as Sick as Government Claims" (Sept. 5): There are many factors that contribute to our excessive healthcare costs and there is no simple solution. The authors focus on fraud. Fraud counts for some of the costs, but it is dwarfed by the "friction" in the system in the form of high transaction costs, the costs that have nothing to do with providing healthcare.

Of our \$4.6 trillion annual national health bill, anywhere from 20% on up goes to these costs, many of which have been dictated by Congress. Transaction costs include electronic health records, HIPAA code sets, anti-kickback and Stark compliance, pre-authorization paperwork and unnecessary diagnostic tests designed to thwart malpractice suits.

Programs aimed at reducing fraud inevitably add transaction costs to all providers—most of whom are honest. One has to assess the costs and benefits, bearing in mind that transaction

costs borne by a physician or hospital will eventually be paid by Medicare or another insurer.

The authors' recommendation that Medicare audit all bills before paying them is unrealistic, and the costs across all providers would be staggering and gross savings minimal. Targeted auditing of only those providers who abuse the system is a more economical approach.

Compliance costs are especially high for government programs, while preauthorization costs are high for physicians paid by private insurers. We are never going to eliminate all transaction costs, but at least someone, without an economic ax to grind, should study them and determine which should be jettisoned. Coding, PBMs and certain compliance costs would be high on my list.

ROBERT CHARROW

Mr. Charrow was general counsel of the U.S. Department of Health and Human Services, 2018-21.

Moderators' Failure Was Also Donald Trump's

In "ABC Bias Precluded a Fair Debate" (op-ed, Sept. 13), Mark Penn and Andrew Stein summarize the ABC debate precisely. I wish, however, that former President Donald Trump could have overcome the inimical moderators.

The first question to Vice President Kamala Harris was: "Do you believe Americans are better off now than they were four years ago?" Ms. Harris went on an unassociated prepared riff that had nothing to do with the question. The moderators didn't say a thing or call her out. Then came Mr. Trump's turn, which he wasted. He should have looked right in the eyes of the moderators and said sternly and loudly, "Ask her that question again. She didn't answer it."

The entire debate would have taken a different path, as Ms. Harris would have realized immediately that she couldn't ramble off-message and actually would have to answer important policy questions. The moderators would have been put on defense instead of coddling and protecting Ms. Harris. What a lost opportunity.

NICK HRISOMALOS

Carmel, Ind.

Watching the ABC presidential debate, I came to a conclusion about the moderators different from that of Messrs. Penn and Stein. The two liberal moderators, David Muir and Lindsey Davis, knew they would be put under the microscope by conservatives and be accused of anti-Republican questions and "fact checks." So, they tried to be—and believed they were—neutral.

Many liberals, however, live in intellectual cocoons and rarely hear opposing facts or viewpoints. (The same is true of many conservatives.) Going in to the debate, Mr. Muir and Ms. Davis probably believed the accusations that Mr. Trump favored a national abortion ban, that he called neo-Nazis in Charlottesville, Va., "very fine people" and that he threatened a "bloodbath" if he loses the election. No doubt, they have now found out these accusations by Ms. Harris were false.

MICHAEL MORK

Healdsburg, Calif.

In a legitimate debate, fact-checking is the obligation of the opponent.

RICHARD NELSON

Ipswich, Mass.

Work to Keep the Letter-Writing Flame Alive

I, too, get an element of expectation as I open my snail mailbox ("From 'Man of Letters' to a Mailbox of Junk" by Joseph Epstein, op-ed, Sept. 10). Every day I hope, and I am often pleasantly surprised. A long-lost cousin recently wrote in response to my note to her, which included long-lost photos of her and her girlfriends heading out to Vietnam to be army field nurses.

If you write notes, which I do every week, some respond with a personal, friendly note. Most, however, respond with an email: "Hey, loved your note :)"

MARGARET MYATT

Kennebunkport, Maine

As I was sorting through my mother's last effects, I came across an old letter written by Charlton Heston to my late father, Thomas Hoyne. Dad was a marine artist and high-school classmate of Heston. That letter, recited in part below, was unsolicited. It speaks volumes about Heston's character and confirms Mr. Epstein's contention that correspondence used to be a form of art.

"Dear Tom, . . . your paintings impressed me enormously when I watched them grow on the easel next to mine in John Stenvahl's class in oil painting at New Trier forty years ago. In fact your gifts so impressed me as we stood, easel to easel, that I realized that whatever lingering doubts I had as to whether to pursue painting or the theatre were resolved then and there. Drop a line if you have the time, Tom. Meanwhile, best wishes from a failed painter. As ever, Chuck."

This particular piece of art hangs on my wall at home.

SCOTT HOYNE

Long Grove, Ill.

PHILIPPA NEWFIELD

San Francisco

Mr. Epstein writes of his desire to reply to letters with a simple, single sentence popular in the 1930s: "Write if you find work." My father always used: "Write only if you find work."

DIANE NAEGELE

Beverly Hills, Calif.

Whose 'Character Problem'?

I am gobsmacked at Daniel Henninger's assertion that "Kamala Harris has a character problem" ("Is the 2024 Election Over?" Wonder Land, Sept. 12) While I'm unsettled about her abilities, it's difficult to understand Mr. Henninger's calling into question her character when the analysis he offers contrasts her with the former president.

JAMES WHELEHAN

Geneseo, N.Y.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I promise, I can change."

The College Divestment Trap

Divestment from Israel isn't one of the "difficult questions" that a university must confront, as Brown University President Christina Paxson writes (Letters, Sept. 10). It is a put-up job, as it has been for the past 30 years, on elite campuses. It is a carefully crafted position designed to look like legitimate inquiry, and people like Ms. Paxson continue to fall for it, hook, line and sinker.

STEVE STEIN

Greenbrae, Calif.

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

OPINION

Harris Is the Safer Economic Choice

By Jason Furman

The first modern presidential race between two candidates with undergraduate degrees in economics hasn't thrilled economists. Both Donald Trump and Kamala Harris have floated bad ideas, including that Nippon Steel's proposed acquisition of U.S. Steel is a national-security risk, that tip income shouldn't be taxed, and that grocery prices are currently elevated because of price gouging.

Yet economists are obliged to compare and quantify. In this race, the evaluation is clear: Mr. Trump's ideas on tariffs, the budget and the Federal Reserve pose a much greater risk to the economy than Ms. Harris's.

Both candidates have bad ideas, but Trump's are worse—and likelier to find support in Congress.

Let's start with tariffs. The Biden administration was wrong to keep and add to the tariffs Mr. Trump placed on China. Fortunately Ms. Harris doesn't seem enthusiastic about pursuing this route much further. Mr. Trump, meanwhile, has proposed 10% tariffs on all U.S. imports, as well as 60% on Chinese goods. Whereas President Biden's tariffs covered \$18 billion of imports,

Mr. Trump's would cover \$4 trillion, more than 200 times as much.

That proposal isn't merely election-year bluster. While Mr. Trump's views on many topics have evolved, his enthusiasm for tariffs hasn't. He says international trade is zero sum and has even floated up to 20% tariffs "on foreign countries that have been ripping us off for years."

Some of his supporters have described this policy merely as a negotiating tactic. But he appears committed, and his running mate, JD Vance, has suggested the money raised would help pay for tax cuts. Why would they want to backtrack? Worse yet, as in his first term, Mr. Trump would likely pursue this policy without congressional approval, citing national-security imperatives.

Next consider the budget. The deficit is too large and unsustainable. No one is proposing a plan commensurate with the problem. Mr. Biden's fiscal 2025 budget offered more than \$3 trillion in deficit reduction. Ms. Harris has embraced this as a starting point while sensibly backing off some ill-advised ideas—such as raising the capital-gains rate to about 45%—and suggesting new ones, such as expanding the Child Tax Credit. I estimate this leaves her with about \$1.5 trillion of deficit reduction. She has, however, committed to extending the expiring tax cuts below \$400,000 without explaining how she would pay for it. If these tax cuts are extended without pay-fors, along with the rest of her agenda, she would face a \$1.5 trillion deficit increase.



The presidential nominees at the Sept. 10 debate.

AGENCE FRANCE PRESSE/GETTY IMAGES

Mr. Trump is vaguer about his budget numbers than most candidates. I estimate his combination of making the 2017 tax cuts permanent, cutting the corporate rate, and eliminating taxes on tips, overtime and Social Security would add more than \$5 trillion to the deficit. That is after accounting for the revenue from his proposed tariffs.

Mr. Trump's deficit increases are more likely than Ms. Harris's to materialize. Betting markets suggest that if he wins, there is a two-thirds chance he will have a Republican House and Senate—a combination that typically results in substantial tax cuts. If Ms. Harris wins, she would

have only about a one-third chance of a unified Democratic Congress, with the best case being 50 Democratic senators. Even with unified Democratic control, there is more precedent for deficit reduction and paying for proposals, outside major recessions and emergencies.

Finally, the Federal Reserve. Mr. Biden reappointed Chairman Jerome Powell, the Republican Mr. Trump tapped to lead the central bank. Ms. Harris has affirmed her support for the Fed's independence, and I have no doubt she would continue a half-century tradition of appointing mainstream, nonpartisan candidates to the central bank.

Mr. Trump's Fed appointments were generally excellent, with some exceptions near the end of his term that Republican senators helped stop. Yet he often fiercely criticized the central bank. He is now arguing that the president should have a say in setting interest rates, and at least one of Mr. Trump's top advisers has suggested he would fire Mr. Powell in the first 100 days. It is likely but not certain that he would back off these ideas as soon as the stock market caught wind of them. Regardless, the possibility that he follows through on them is perhaps the largest threat the economy faces.

There are other issues. I have publicly criticized Mr. Biden's rent-control scheme and Ms. Harris's anti-price-gouging proposals. Yet both of these would require legislative approval, which neither is likely to get. Those policies, moreover, aren't nearly as important as where the two candidates stand on tariffs, the deficit and the central bank—and the likelihood they would follow through on their promises.

Mr. Trump often listened to sensible advisers and walked away from some terrible economic policies as president. Some of his defenders believe he will do so again—and I hope they're right. For my money, though, I recommend taking him at his word and voting accordingly.

Mr. Furman, a professor of the practice of economic policy at Harvard, was chairman of the White House Council of Economic Advisers, 2013-17.

Lessons for Kamala Harris From the Women Who Won



FREE EXPRESSION By Gerard Baker

The eyes of Caligula and the mouth of Marilyn Monroe."

President François Mitterrand's famous description of Margaret Thatcher captured not only a chauvinist view Frenchmen may have of the complex mix of attributes that reside in a powerful woman. It also hinted at a deeper reality about the particular set of characteristics demanded of a successful female leader in a democracy.

Feminists complain, with some justification, that in professional life women are held to different standards than men. To succeed they are expected to have all the qualities of an alpha leader—resilience, fortitude, ruthlessness. But they are also somehow required to conform to age-old stereotypes of feminine character: They must seem caring, emotionally responsive, even alluring.

The double standard surely applies in politics too and provides clues to the presidential election campaign, in which again a woman

is attempting to make it to the top. If the short history of successful women in Western democracies is a guide, I would suggest that Mitterrand's Caligula-Marilyn hybrid is exactly the model Kamala Harris is aiming for.

It is noteworthy that more than 45 years after a woman became prime minister of the U.K., almost 20 years after a woman became chancellor of Germany, and almost two years after a woman became prime minister of Italy, America is still waiting for its first female chief executive. Yet so far at least the vice president's sex has kept a low profile.

If she loses in November, no doubt Democrats will blame it in large part on the misogyny of the deplorables, as Hillary Clinton did in 2016. But this isn't convincing. For one thing, it is hard to believe that Britain in 1979, Germany in 2005 or for that matter Italy in 2022 were more enlightened about women's roles than America is today. What's more, the gender gap in voting behavior in the U.S. may actually give Ms. Harris an advantage. Polling suggests that the gap is wider than ever this year. Since there are more women registered to vote than men, her advantage could be crucial.

Yet for some voters—of both sexes—who may still apply those double standards to female candidates, there are three useful lessons from the three most recent successful female leaders of major industrialized democracies: Thatcher, Angela Merkel and Giorgia Meloni.

Female leaders are held to a double standard—and so far the ones who've risen have all been conservative.

First, none of these women made her campaign—or her governments—about women's empowerment. All focused relentlessly on the issues confronting the whole country. This was one of the errors Mrs. Clinton made in 2016—all that "glass ceiling" rhetoric and dreary "Fight Song" music announcing her entrance like the arrival of the queen of Sheba. It gave voters the impression that the election was all about her, not them.

Ms. Harris's campaign has grasped this. While she may be justly accused of an enveloping vanity in her campaign rhetoric, at

least we have been spared the glass-ceiling talk.

Second, these successful Western leaders were all tough as nails, arguably tougher than the men they opposed. For Thatcher, earning the sobriquet of "Iron Lady" from Moscow early in her premiership was a supreme honor. It was a common joke in Westminster, when she presided over an all-male cabinet, that she was the only member with balls.

But she also understood how to use her femininity to win over men especially. Her toughness was both underpinned and balanced by a powerful female allure, as Mitterrand's famous observation noted.

Ms. Merkel of Germany had a similar combination of femininity and toughness. Though her nickname was "Mutti," German for "mom," this was as much an allusion to the stern figure of famed Teutonic constancy as it was to any maternal softness. She was childless, as it happens (also catless).

When she first visited Vladimir Putin in 2007, the Russian leader, knowing she had a fear of dogs, ensured an intimidating black Labrador was on hand, sniffing around the visibly uncomfortable German leader.

She had the last word.

"He's afraid of his own weakness,"

she told reporters later, "Russia has nothing. No successful politics or economy. Only this."

Spend an hour in the company of Italy's Giorgia Meloni, as I did recently, and you get a similar sense of the combination of iron resolution and feminine charm. A fiercely nationalist leader of a party that has its roots in fascism, she has proved both a sterling defender of Italian interests on the world stage and a pragmatic and engaging stateswoman—less Mussolini in a pantsuit than Garibaldi in Gucci.

Ms. Harris has evidently learned these lessons too. We are fed charming stories of her cooking tacos for the family and winsome tales of first dates. But these are leavened by accounts of how she enjoyed nothing more than sending bad men to prison for the rest of their lives.

The third common attribute of the female Group of Seven leaders, however, is beyond Ms. Harris. They have all been conservatives. This may be no accident. If cautious voters are to be persuaded to break new ground, they don't seem to want to go all in with a radical. Better to elect a woman of more traditional tenor.

If she's to win, that's another mold Ms. Harris will have to break.

Oasis, Ticketmaster and the Price of Economic Ignorance

By Matthew Hennessey

Economic ignorance, like rock 'n' roll, never dies. It just fades away. Eventually it comes roaring back louder and dumber than ever.

In the U.S., ignorance of economics shows up in debates over price gouging and trade protectionism. These topics are boring and easy for politicians to lie about, especially to voters unfamiliar with the elegant simplicity of supply and demand. On the other side of the Atlantic, economic ignorance comes in sexier packaging. It has a backbeat.

Oasis is an English rock band whose core members are the quarrelsome siblings Liam and Noel Gallagher. Even those unfamiliar with Britpop-era hits such as "Wonderwall" and "Champagne Supernova" might have heard about the brothers' squabbling. Oasis has historically had trouble staying together. Their most recent split lasted 15 years, during which time fans prayed constantly for a reunion. Speculation about the potential end of the great Gallagher

estrangement was a British media staple.

Last month the boys buried the hatchet and announced a series of 2025 concerts. Delirious fans who were young and relatively poor during the band's heyday are now older and relatively rich. They have the willingness and ability to pay to see Oasis in concert. Economically speaking, that's called demand.

But demand is only one side of the economic story, morning glory. For the moment at least, the Oasis reunion is limited to a handful of shows. Wembley Stadium is large but not infinitely so, and there's no guarantee the brothers will remain on speaking terms beyond next summer. Fans understand that this may be their last chance to see the Gallagher lads together onstage. Supply is limited.

Introductory economics tells us that when supply is tight and demand is high, prices rise to an equilibrium, which is exactly what happened. Oasis reunion tickets were initially priced at £150, or about \$200. This proved far too low. When

the online sale went live, Ticketmaster's "dynamic pricing" system instantly adjusted prices upward. Some ticket buyers reported paying more than £400.

Some accused the greedy brothers of ripping off their loyal fans. Many more aimed their fury at Ticketmaster, the American ticket-sales behemoth owned by Live Nation Entertainment. The furor revealed a terrible ignorance, even among the highly educated, of what prices are and how they work.

Prime Minister Keir Starmer told the House of Commons that he found it "depressing" to hear of the Oasis "price hikes." He promised a commission to investigate what he called "extortionate price resales." Culture Secretary Lisa Nandy told the BBC that "vastly inflated prices" would exclude "ordinary fans."

Bollocks. In economic terms, a

concert ticket is no different from a book, a bottle of wine or a house.

It has no inherent value, only the price a buyer is willing to pay and a seller is willing to accept. The market-clearing price of anything is where

demand meets supply. The correct and fair price is whatever the market will bear. No buyer has a right to a low price, just as no seller has a right to a high price.

Oasis could be nice guys and sell their tickets for \$5, but scalpers would snatch them all up and resell them for more. Significantly more, as

When supply and demand determine the price of a concert ticket, everybody goes home happy.

it turns out. What good would it do Oasis, or the ordinary fan, to allow third-party resellers to capture all that value?

A high price doesn't indicate greed any more than a low price indicates generosity. Absent force or fraud, price reflects the point at which buyer and seller both agree that the transaction makes each of them better off. The beauty of it is that eco-

nomic exchange in a free market is entirely voluntary. Oasis doesn't have to play, and you don't have to pay. Who's getting ripped off?

After a decade of public experience with ride-sharing apps like Uber, you'd think consumers would have honed their understanding of how the price mechanism works. Sadly, Oasisgate suggests this isn't the case.

But what about Ticketmaster? Surely it adds nothing so valuable to the transaction as to justify the rise in price. In fact, this is where the story gets interesting. Ticketmaster makes for a convenient villain. But, as music industry guru Bob Lefsetz explains, that's its job. "The acts hide behind Ticketmaster," he writes in a recent newsletter. Bands like Oasis want to cash in on their popularity, but they don't want to be seen charging \$1,000 a seat for their concerts. That isn't the image Gallagher brothers have spent their 30-year career cultivating.

Ticketmaster, on the other hand, writes Mr. Lefsetz, "makes no music, it's inert, and therefore it can accept all the blame." The dirty little secret: "Ticketmaster does nothing that the band does not agree to." The key thing to remember is that nobody got hurt here. Everyone is going home happy: the band, Ticketmaster and especially Oasis fans who finally got the chance to see the reunion they never thought possible.

Don't let anyone tell you that free markets are a rip-off. Mutual satisfaction is their great selling point. If you're one of the lucky ones who managed to snag a ticket, stop crying your heart out. Roll with it. Liam and Noel aren't going to live forever.

Mr. Hennessey is the Journal's deputy editorial features editor and author of "Visible Hand: A Wealth of Notions on the Miracle of the Market."

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Notable & Quotable: Lucky

A Sept. 12 note added to the top of an anonymous New York magazine article titled "Why Did I Stop Loving My Cat When I Had a Baby?"

This story is part of an exploration of the ethics of pet ownership from the August 12, 2024, issue of New York Magazine, sharing a variety of points of view on whether we're equipped to care for the animals in our homes. In this story, a freelance writer examines a fraught

WORLD NEWS

Fear of China Export Wave Spurs New Talks

U.S. delegation to visit Beijing, bring up concerns about overproduction

By LINGLING WEI

A group of senior U.S. officials is traveling to Beijing this week for a round of high-level meetings intended to underscore Washington's concerns over a wave of Chinese goods flooding world markets.

The American officials, led by Jay Shambaugh, the Treasury Department's undersecretary for international affairs, will hold discussions with their Chinese counterparts on Thursday and Friday, a Treasury official said.

The planned meetings are the fifth gathering of an economic working group formed by both governments last year to enhance communication at

a time of heightened competition between the world's two largest economies. The group also includes Federal Reserve officials.

"It's important that we have a resilient channel to discuss a range of economic topics with our [China] counterparts, in areas where we agree and especially in areas where we disagree," Shambaugh said.

"During our trip," he said, "we will further our discussions on China's macroeconomic imbalances and industrial policies that risk causing significant harm to workers and firms in the U.S. and around the world."

With the new round of conversations, the U.S. group led by Shambaugh, an economist by training, will seek to build on the warnings expressed by Treasury Secretary Janet Yellen during her April visit to China that the output by China's enormous manufac-

turing machine has gotten too large for the world to absorb.

At a time of weak demand at home, Beijing has ramped up its manufacturing capacity, and sent excess capacity overseas. The policy choice reflects Chinese leader Xi Jinping's emphasis on

building up an all-encompassing industrial supply chain that can reduce China's reliance on foreign products but increase the rest of the world's dependence on China.

So far, such a policy has had an effect of squeezing industries around the world, raising the specter of a new global trade war. Many of China's trading partners, from the U.S., Europe to even some

in Asia that are considered relatively friendly to Beijing, are raising tariffs and other trade barriers aimed at fending off cheap Chinese goods.

The fear shared by Washington, Brussels and other capitals is that a wave of Chinese exports, often made with the help of state subsidies, could overwhelm their own industries, leading to job losses and business closures in a repeat of the so-called China shock, when

Chinese exports such as steel disrupted global markets at the start of the 21st century.

This time, the stakes are higher for many in the developed world, as China is aiming its policy directly at the heart of the industries the West

wants to foster itself, such as electric vehicles and renewable energy.

Meanwhile, Beijing has dismissed warnings about overproduction as a pretext by the U.S.-led West to suppress China's rise. Beijing is also moving forward with its own challenge to U.S. industrial practices at the World Trade Organization.

The external criticism aside, Beijing also faces pressure from within. Unneeded factories have sapped corporate profits, wasted money and weakened productivity growth. Many economists in China have urged the government to shift its support from manufacturing to households to bolster domestic consumption.

However, the leadership so far has shown little willingness to change the policy. Instead, as the strain in U.S.-China relations continues, the Xi leadership has accelerated

an industrial drive centered on EVs, semiconductors and artificial intelligence, and renewable energy—sectors seen as key for China's efforts to outcompete the U.S.

In a July speech at the Council on Foreign Relations, Shambaugh said the U.S. is concerned about Beijing's "clear preference today to push manufacturing even further as China's growth driver," with the significant spillover to American firms and workers.

Shambaugh said the U.S. delegation will also talk about areas of cooperation with the Chinese side in the working-group meeting, such as the debt and financing challenges faced by many developing countries.

China has spent a trillion dollars to expand its influence across Asia, Africa and Latin America through its Belt and Road infrastructure program.

China is building up an all-encompassing industrial supply chain.

U.S. Warns Israel About Intensifying Hezbollah Fighting

By SHAYNDI RAICE AND CARRIE KELLER-LYNN

TEL AVIV—A top U.S. envoy warned Israel over escalating the fight with Hezbollah in Lebanon, while Israel's defense minister said military action is becoming the only way to return Israelis evacuated from northern border areas to their homes.

The U.S. message, delivered Monday in meetings that top Biden administration diplomat Amos Hochstein held with Israeli Prime Minister Benjamin Netanyahu and Israeli Defense Minister Yoav Gallant in Tel Aviv, reflects growing U.S. concern that the conflict in Gaza could spread.

Gallant said he told Hochstein that Hezbollah's continued attacks were foreclosing the possibility of a diplomatic solution and that "the only

way left to ensure the return of Israel's northern communities to their homes will be via military action."

The prime minister's office said Netanyahu, in a separate meeting, made "clear that it will not be possible to return our residents without a fundamental change in the security situation in the north." His comments didn't mention force.

Hochstein warned that escalating the conflict with the Lebanese militia wouldn't make northern Israeli communities safer but could set off a broader and protracted regional conflict, said a person familiar with the meetings.

Israel has responded to Hezbollah's attacks with air and artillery strikes in southern Lebanon, killing hundreds of militants, including one of the group's most senior commanders in Beirut last month. That



An Israeli firefighter tries to put out a fire following an attack from Lebanon near the Kibbutz Snir in northern Israel.

Israel and Hezbollah to pause their hostilities along the Lebanese border.

Those talks, which would also involve a swap of Palestinian prisoners held by Israel for hostages still held in Gaza, have been stalled for months by disagreement over whether Israel should be able to resume fighting after a ceasefire and by Netanyahu's demands to keep troops in strategic spots in Gaza.

U.S. Secretary of State Antony Blinken is heading back to the Middle East on Tuesday to try to push those negotiations forward.

He is skipping Israel and instead going to Egypt to discuss the contentious issue of the Philadelphia corridor.

Blinken's planned stop in Cairo, and not Tel Aviv or Jerusalem, is the latest sign a breakthrough is weeks away.

Hezbollah began firing rockets into Israel the day after the Hamas-led Oct. 7 attacks that left 1,200 dead and prompted Israel to invade Gaza, and has said it won't stop until the war in Gaza ends.

More than 41,000 Palestinians have been killed during Israel's response, say Palestinian health officials, who don't say how many were combatants.

Israeli officials have been raising their rhetoric on Hezbollah as pressure builds for a military solution in the north, saying time for a diplomatic solution is running out.

Overnight, Israel's security cabinet updated its war goals to include returning residents of the north to their homes.

Last week, Israel's military said it completed exercises preparing troops to operate within Lebanon.

Venezuela Claims Plot, Locks Up 3 Americans

By KEJAL VYAS

BOGOTÁ, Colombia—After a prisoner swap last year, Biden administration officials said they had commitments from Venezuelan President Nicolás Maduro's regime not to detain more Americans.

Nearly nine months later, Maduro's authoritarian government says it has locked up three U.S. citizens, including an active Navy serviceman. Interior and Justice Minister Diosdado Cabello said in a weekend news conference that the Americans, two Spaniards and a Czech national had been arrested for plotting a coup on behalf of American intelligence services. He identified the sailor as a former Navy SEAL, Wilbert Castañeda, and named two other Americans, without providing more details.

The U.S. denied the accusations, and Cabello didn't offer evidence.

In December the U.S. sent Alex Saab, facing money-laundering charges in Miami, to Venezuela for 10 American prisoners and a Malaysian businessman as part of an effort to coax the Maduro regime into negotiations leading to a free and fair presidential election. A senior U.S. official said on Dec. 20 that Venezuela had committed not to detain additional Americans.

Maduro claimed he won the July 28 vote without making ballot data public. The opposition collected 83% of ballot tally sheets nationwide and

posted them, showing it had won. Electoral observers in Venezuela also say Maduro lost. The U.S. and its allies refuse to recognize the results until they are audited. Venezuela has responded angrily.

"There's an expression that says hostages are a renewable resource and that's exactly what we're seeing," said Eric Farnsworth, a former U.S. diplomat and analyst at the Council of the Americas policy group in Washington. "I think we have ample evidence that you can't take the Maduro regime at its word on anything."

There have been growing calls from across the political spectrum in the U.S. Congress urging the White House for tougher actions against Maduro. That includes a bipartisan bill that proposes codifying sanctions against Venezuela so the White House cannot easily lift them. Another seeks to ban all U.S. oil business with Venezuela until Maduro releases the electoral data. Both bills are opposed by oil companies that have worked to persuade Washington to allow them to operate in Venezuela.

For now, the Treasury Department has allowed some oil companies, including Chevron, to continue pumping oil in Venezuela under special licenses that were granted to induce Maduro to even the playing field ahead of the elections. The White House didn't immediately respond to questions seeking further comment.



TWO-WHEELER: An overturned car near the Czech town of Jesenik on Monday testified to the power of the floodwaters there.

AFGHANISTAN

Taliban Order Halt To Polio Campaigns

The Taliban have suspended polio vaccination campaigns in Afghanistan, the U.N. said Monday. It is a devastating setback for polio eradication, since the virus is one of the world's most infectious and any unvaccinated groups of children where the virus is spreading could undo years of progress.

Afghanistan and neighboring Pakistan are the two countries in which the spread of the potentially fatal, paralyzing disease has never been stopped. The World Health Organization has confirmed 18 cases in Afghanistan this year, up from six in 2023.

News of the suspension was relayed to U.N. agencies right before the September immunization campaign. No reason was given. The \$1 billion a year global initiative to stop polio has missed multiple deadlines, and technical mistakes in the vaccination strategy have been costly.

—Associated Press

CHINA

DEA to Shut Two Of Its Four Offices

The U.S. Drug Enforcement Administration is shutting two of its hard-won offices in China, the Associated Press has learned, even as the agency struggles to disrupt the flow of precursor chemicals from China that have fueled a U.S. fentanyl epidemic. It was unclear exactly why DEA is shutting down in Shanghai and Guangzhou, leaving only its Beijing and Hong Kong offices. DEA said it followed a data-driven process intended to maximize the agency's impact.

DEA veterans say the closures mark another setback in the two countries' often-halting cooperation. China has added dozens of fentanyl-producing chemicals to its list of controlled substances and warned companies against shipping them, but the country remains the world's largest source of precursors in a fentanyl crisis blamed for nearly 100,000 U.S. deaths a year.

—Associated Press

PAPUA NEW GUINEA

Up to 50 Are Dead In Mining Violence

Violence among illegal miners in Papua New Guinea has left between 20 and 50 people dead, a United Nations official said Monday. The fighting started days ago and continues in the Porgera Valley. The U.N. official said the death toll was based on information from community members and local authorities in Enga province in the nation's mountainous inland. Papua New Guinea police didn't respond to a request on Monday for tallies of dead and wounded in the valley.

Police said an emergency had been declared on Saturday after the violence escalated, and that they mobilized to protect residents and infrastructure. The violence is taking place near the site of a May landslide that the government of the South Pacific island nation estimated killed more than 2,000 people. The main highway through the province remains buried.

—Associated Press

EUROPEAN UNION

Top Tech Enforcer Breton Resigns

A top official who helped lead the European Union's push to write new rules for online platforms stepped down Monday. Thierry Breton, the EU's internal-market commissioner, had clashed repeatedly with X owner Elon Musk, including when he suggested last month that Musk's planned live discussion with former President Donald Trump might violate EU law.

But while Breton was the most outspoken of the EU's top officials on online-platform regulation, his departure is unlikely to change efforts to crack down on what regulators view as bad behavior by large tech companies. In preliminary findings, EU officials said they believe X is in breach of the Digital Services Act on several counts. If regulators ultimately determine that X broke the rules, the fine could equal up to 6% of its worldwide revenue.

—Kim Mackrael



Nicolás Maduro claims victory without making ballot data public.

BUSINESS & FINANCE

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Court Shows Skepticism on TikTok

Chinese-backed app is challenging effort that could force it to shut down stateside

By JACOB GERSHMAN

A federal appeals court on Monday signaled skepticism with TikTok's legal effort to prevent the U.S. government from forcing the popular social-

media app to sever ties with China to keep operating in this country.

During morning oral arguments, a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit repeatedly questioned TikTok's challenge to legislation that requires its parent company, Beijing-based **ByteDance**, to sell the platform by Jan. 19. If there is no sale, TikTok would be effectively banned from mobile

app stores in the U.S.

The U.S. government says China's potential ability to use TikTok to wage information warfare and spy on Americans represents a national-security threat. And it argues that divestiture from Chinese ownership is the only assurance of defusing the danger.

Judge Douglas Ginsburg said there was precedent for that approach.

"Why is this any different,

from a constitutional point of view, than the statute precluding foreign ownership of a broadcasting license?" Ginsburg asked.

Another judge on the panel, Neomi Rao, likened the case to a 1988 ruling by the D.C. Circuit upholding the Reagan administration's shutdown of a U.S.-based group affiliated with the Palestine Liberation Organization. In that case, the restriction on the speech rights of the

U.S.-based entity was deemed incidental and outweighed by the government's interest in combating terrorism.

"Why is that not analogous to what's happening here?" Rao asked.

TikTok has argued that the government could have taken less drastic measures, such as making TikTok's algorithm subject to disclosure rules. Rao said she doubted the effectiveness.

Please turn to page B2



KATHLEEN FLYNN FOR WSJ
Ammonia is attracting increasing interest these days as a hydrogen compound that could be a clean replacement for fossil fuels. An ammonia plant in Louisiana.

Ammonia Draws Billions of Dollars From U.S., Big Oil

By SCOTT PATTERSON AND AMRITH RAMKUMAR

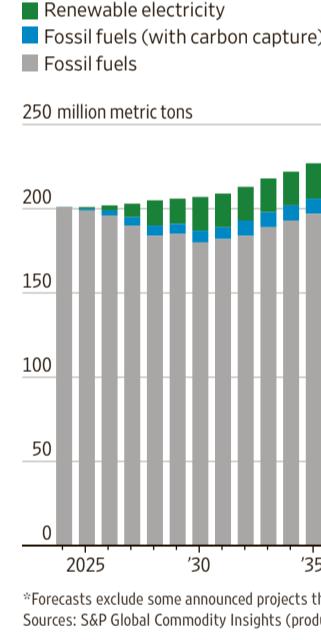
Most people think of ammonia as a household cleaner. To big oil companies, climate investors and the U.S. government, it is a hot commodity that is attracting billions of dollars for its use in fertilizer and low-carbon energy.

The latest bet is a \$1.56 billion Energy Department loan commitment for an ammonia

project in Indiana. The agreement comes on top of a recent \$2.35 billion deal for a Gulf Coast project by an Australian energy company, a big investment from Abu Dhabi's national oil company in an **Exxon Mobil** project in Texas and a large effort in Mississippi from ammonia giant **CF Industries**.

Ammonia, which is a mixture of hydrogen and nitrogen,

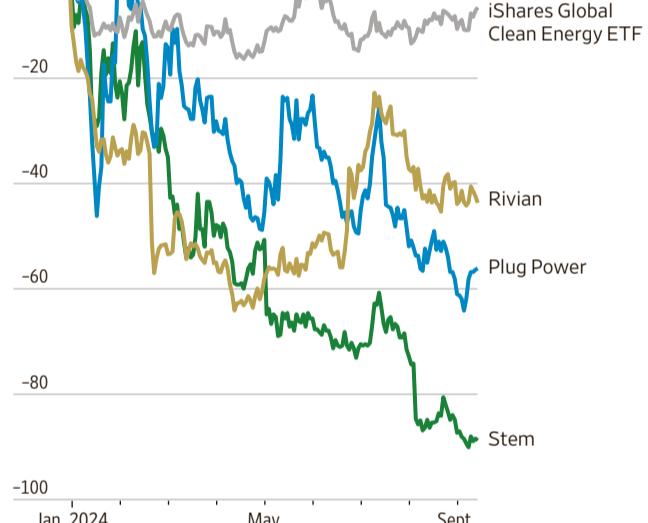
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*Forecasts exclude some announced projects that are unlikely to get built.

Sources: S&P Global Commodity Insights (production); FactSet (performance)

2024 performance of clean-energy stocks



Amazon Tells Staff to Work in Office Full-Time

Amazon wants employees in the office five days a week.

In a message posted to the company's website Monday, CEO Andy Jassy said Amazon believes there are significant

By Victoria Albert, Sebastian Herrera and Chip Cutter

advantages to having employees in the office full-time.

Like many companies, Amazon let some employees work from home because of the Covid-19 pandemic. Amazon staff were required to be in the

office at least three days a week since May 1, 2023. The return-to-office requirement will take effect in early January 2025.

Amazon is joining other large companies, including UPS, JPMorgan Chase and Boeing, that called at least some workers back to the office full-time. The moves reflect some executives' efforts to refill office buildings and rebuild cultures that existed before the pandemic.

The mandates so far haven't led to a broader filling of desks, however. The average office occupancy in 10 major U.S. cities has hovered around 50%

for months, according to data from security-provider Kastle Systems.

Jassy has said he values in-office culture and the five-days-a-week decision comes after Amazon invested in its office spaces in recent years and pushed its employees to be closer to their teams.

When employees are in the office, he said, "We've observed that it's easier for our teammates to learn, model, practice, and strengthen our culture; collaborating, brainstorming, and inventing are simpler and more effective; teaching and learning

from one another are more seamless; and, teams tend to be better connected to one another."

Amazon, like other tech rivals, has been ramping up its spending in artificial intelligence, as it looks to cut costs in other areas. Jassy has said generative AI could be one of the largest technological transformations in decades.

Jassy also said Amazon is moving to have fewer managers overseeing teams, pledging to tackle bureaucratic impediments such as what he called "pre-meetings for the pre-meet-

ings for the decision meetings."

The company will now have a dedicated method for employees to flag any "bureaucracy or unnecessary process that's crept in and we can root out," he said. Some employees have said Amazon hasn't done as good of a job at keeping the startup culture that fueled its success.

Amazon last year told many employees they would have to relocate to what the company calls "main hub" locations, such as its headquarters in Seattle, or offices in New York or San

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Bankrupt trucking company Yellow loses a court ruling over paying pension benefits. B3

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The Dow industrials rise to a record as investors ramp up bets on a rate cut. B10

Retailers Wrestle With Fraud in Returns

By LIZ YOUNG

Apparel retailer PacSun noticed a sharp increase in returns of online purchases earlier this year, including one customer who had returned some 250 orders worth \$24,000.

PacSun had issued the refunds, but never received the actual merchandise. Instead, workers found "used or different merchandise returned in the box, or even empty shoeboxes," said Shirley Gao, the company's chief digital and information officer. Other promised packages never arrived at all.

For the Southern California-based seller of beachwear, casual clothing and footwear, the case turned out to be part of a pattern of purchases and bogus returns, many amounting to

thousands of dollars, that started hitting in early May. PacSun said its investigation found many of the fraudulent returns followed tips passed along through websites, groups

on messaging app Telegram and other forums. The turn to such large-scale, seemingly loosely coordinated returns targeting specific merchants marks a new step in what re-

tailers say is a growing problem with the messy, costly process of returns of online purchases.

Retailers nationwide have seen online returns skyrocket over the past four years, after they rolled out generous returns policies to attract customers during the pandemic-driven surge in e-commerce. The have helped change shopping habits: Consumers have grown accustomed to ordering several sizes and colors, then returning what they don't want.

Shoppers last year returned 17.6% of online purchases, more than double the 2019 percentage and valued at more than \$247 billion, according to the National Retail Federation and software provider Apprise Retail.

Returns have become such

Please turn to page B2



GARY HERSHORN/GETTY IMAGES

Boeing Freezes Hiring, Delays Pay Increases

By SHARON TERLEP

Boeing said it would freeze hiring and delay pay increases for its salaried workforce as the jet maker grapples with financial fallout from a strike launched Friday by its largest union.

The company announced the cost-saving measures in a memo to staff on Monday and said it would also cut back orders from suppliers for its 737, 767 and 777 jets. The memo said Boeing also was considering temporary furloughs for employees and executives.

A strike could cost the manufacturer some \$500 million a week, according to one analyst estimate. The company's operations had been burning about \$1 billion a month before the strike, and credit-ratings firms warned they may downgrade Boeing.

"This strike jeopardizes our recovery in a significant way, and we must take necessary actions to preserve cash and safeguard our shared future," Boeing finance chief Brian West said in Monday's memo.

The jet maker's 33,000-member machinists union walked out Friday after rejecting a labor deal struck between the union's leaders and Boeing executives. The contract offered 25% wage increases over four years, bolstered retirement benefits, lowered healthcare costs and committed Boeing to building planes in the unionized Pacific Northwest. Union leaders were seeking a 40% pay raise over four years.

Executives cited Boeing's debt load and ongoing issues in pleas to workers ahead of Thursday's contract vote.

Union leaders, who unanimously approved the tentative contract rejected by the rank and file, are surveying mem-

Please turn to page B2

Intel CEO Lays Out New Steps To Cut Cost

By ASA FITCH

Intel said it would further separate its chip-manufacturing and design operations as part of a new raft of measures to weather one of the most significant crises in its five-decade history.

Intel also is pausing factory projects in Germany and Poland for two years, and putting a manufacturing project in Malaysia on hold until demand picks back up, Chief Executive Pat Gelsinger said in an interview. The company also will slash the number of office locations, he said.

Gelsinger has been gradually separating Intel's manufacturing and chip-design operations, after making the company's factories available to outside circuit designers shortly after taking the role more than three years ago.

The manufacturing operations started to report separate financial results this year, but they will now become an independent subsidiary under Intel.

Increasing the separation between the two operations will allow the manufacturing arm to get financing independently, allay customer concerns about its independence and bring it more culturally in line with a contract chip maker, Gelsinger said.

The plan stops short of splitting off and selling the manufacturing operations, which many analysts and investors have encouraged Intel to consider. It could pave the

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THE WALL STREET JOURNAL.

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Retailers Fight Fraud On Returns

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an entrenched part of online commerce that companies have sprung up to handle the growing business. **United Parcel Service** last year acquired one specialized operator, Happy Returns, for \$465 million.

The ease of shipping goods back also has given criminals new tools in an online environment in which buyers don't need to interact with store employees, industry experts say.

PacSun's experience shows fraud is getting more ambitious and organized. The retailer didn't disclose the amount it has lost to fraudulent returns so far this year, but Gao said the scheme is having "a significant impact financially and operationally to the business."

The National Retail Federation estimated more than \$100 billion in merchandise was returned fraudulently in the U.S. last year, amounting to about 13.7% of the overall returned goods. That was more than twice the level of bogus returns in 2020, according to the industry trade group, which noted its methodology changed in 2023 to include customer returns data from Apprise Retail.

Organized criminal groups "are taking advantage of the omnichannel retail environment," said David Johnston, vice president of asset protection and retail operations at NRF. Criminals exploit information gaps between retailers' various departments, such as sales staff at stores, warehouse workers and online customer-service representatives, he said.

In some cases, swindlers return knockoffs in place of designer goods or send back boxes of bricks or other filler rather than the original items. Others manipulate shipping labels to receive a refund just from mailing back an empty envelope.

Industry experts say those tactics, including tips on exploiting the returns policies at specific retailers, are being shared across websites as well as groups on anonymous-messaging apps such as Telegram.

Some of those viewed by

mote "refunding services" that can get customers full refunds in days without actually returning merchandise. Several of the groups list out the returns policies of large retailers.

A spokesman for Telegram, the Dubai-based messaging and social-media app, said its moderators seek to remove content that promotes fraud, but that Telegram's growth to nearly 1 billion users "has caused growing pains." He said Telegram is making content moderation a priority this year.

Swindlers marketing their services on Telegram and through other websites often sell their services in return for a cut of customers' refunds.

In one popular scheme, customers give the swindlers their names, email addresses and order-confirmation numbers for purchases made online. The swindlers then go to a targeted retailer's website and request a return label. They digitally manipulate the label to change the shipping address and apply the label to an empty envelope.

The parcel carrier who picks up the envelope scans the label, which sends a signal to the retailer that the piece of mail is on its way to the retailer's warehouse. When the envelope is later delivered to the modified address, the parcel carrier's online tracker shows the parcel was "delivered."

The swindlers then go online with the retailer's customer-service department and ask for the refund. The support agents, typically far removed from the company's warehouse operations, see online only that a package was "delivered" and release a refund to a given customer's account, long before warehouse workers discover that no package actually arrived.

PacSun temporarily stopped accepting returns through the mail in June to deter fraud, although Gao said people have also taken advantage of in-person return drop-off locations by bringing back used merchandise and knockoff items. It now charges customers \$10 for mail-in returns of items such as footwear and said it is working with a technology company to detect fraudulent returns.

Listen to a Podcast



Scan this code for a podcast on how fraudulent returns are hurting retailers.

Continued from page B1
has long been a critical ingredient in fertilizer but it is also a big emitter of greenhouse gases because it is typically made using fossil fuels. Projects like the one in Indiana are considered low-carbon because they trap the CO₂ emissions from the process and bury them underground.

Ammonia doesn't produce carbon emissions when burned as fuel, driving a new wave of activity from companies angling to ship it all over the world. Increasing domestic supply is a priority after Russia's invasion of Ukraine in 2022 roiled the market and pushed up prices. Russia is one of the world's biggest producers.

"It's important for us to have a diverse supply chain and make sure we're not dependent on other countries for this really important chemical," Jigar Shah, head of the Energy Department's Loan Programs Office, said. The program is rushing to get deals done before the election.

The office has agreed to a deal with **Wabash Valley Resources**, a producer backed by oil companies and hydrogen-vehicle startup **Nikola**. The company aims to repurpose a facility that was part of a decades-old coal plant in Indiana for low-carbon ammonia production.

Founded in 2016, Wabash

uses a byproduct of oil refining to make ammonia and says it has an advantage over competitors because its facility is close to the farms where fertilizer will be used to grow corn. It expects to produce 500,000 metric tons of ammonia a year.

The deal also adds to recent investments in carbon capture, which has a poor record but got billions of dollars in tax credits from the 2022 climate law. Projects such as Wabash's are seen as more practical because they use a proven process to trap a nearly pure stream of CO₂.

Once it starts operating in 2027, Wabash expects to get about \$140 million in carbon sequestration tax credits annually on top of the loan. The company's project previously

there is enough time for the Supreme Court to potentially review the case before the law takes effect.

The law doesn't make it a crime to use TikTok, but it does prohibit mobile app stores from letting users download or update it.

The sell-or-ban law gained bipartisan support after lawmakers received warnings from the intelligence community about China's ability to exploit the app used by some 170 million Americans, roughly half of the population. ByteDance has said it can't and won't sell its U.S. operations by the deadline. The Chinese government has also signaled that it won't allow a forced sale of TikTok to go through.

Much of the government's evidence is classified and shielded not just from the public but from TikTok's lawyers. They said in court papers that the U.S. government hasn't shown them any evidence that China has manipulated the content that Americans see on TikTok or that China has accessed U.S. user data. The U.S. government has shown the judges statements from senior intelligence officials about the dangers posed by TikTok and a transcript of a classified House committee hearing from March that fueled the legislation's passage. Publicly viewable portions of the filings intimate that the government's national-security concerns are more than hypothetical.

"The law before this court is unprecedented, and its effect would be staggering," Andrew Pincus, a lawyer representing TikTok, told the panel. "For the first time in history, Congress has expressly targeted a specific U.S. speaker, banning its speech and the speech of 170 million Americans."

The Justice Department said TikTok creators can post what they want, just not on a major platform controlled by a foreign adversary.

"What is being targeted is a foreign company that controls this recommendation engine and many aspects of the algorithm that's used to determine what content is shown to Americans on the app," said department lawyer Daniel Tenny.

The litigants have asked the D.C. Circuit to rule by Dec. 6 so

got government grants for studying carbon storage options near its plant in West Terre Haute, Ind., which set the table for Environmental Protection Agency approval of storage wells.

Wabash still needs to raise about \$800 million in equity and meet other project milestones before it starts receiving the loan. Daniel Williams, chief operating officer, said the company has about 75% of that equity funding in place and is talking to corporate partners.

Another low-carbon ammonia producer, Nebraska startup **Monolith**, received a \$1 billion commitment from the loan office in 2021 but still hasn't received the funds.

On the Gulf Coast, Australia-based **Woodside Energy** recently paid \$2.35 billion for a

plant in Beaumont, Texas,

where it plans to make low-carbon ammonia. A nearby Exxon low-carbon ammonia project has a deal with Abu Dhabi's national oil company and is in talks for additional cash from Japanese conglomerate **Mitsubishi**.

Exxon is also working with CF Industries on its carbon-capture effort in Mississippi and a similar project in Louisiana as part of its push into carbon management.

Subsidies are critical for the projects because rising costs are derailing many climate efforts, fueling a series of bankruptcies in recent months. Williams said Wabash's equipment and project costs have risen about 25% to 50% in the past three years. Cost setbacks have hurt many projects involving only hydrogen, which is difficult to store and transport.

Wabash still needs to build the transportation infrastructure to carry the carbon several miles to storage sites, a process that has angered opponents of the development. Williams said the ammonia will have as much as 80% lower emissions than traditional ammonia and that the government support shows the project is worthy of development.

The deal is the loan program's first involving carbon capture and adds to a push by the office to get money out the door before the election. A victory by former President Donald Trump could halt transactions and make the program essentially dormant like it was during the first Trump administration.

TikTok Effort Faces Skepticism

Continued from page B1
ness of getting more access to source code billions of lines long that would take years to review.

Judge Sri Srinivasan asked a series of questions about how the First Amendment should apply to foreign-owned companies whose governments have varying levels of hostility with the U.S.

TikTok and several of its star content creators have claimed in lawsuits that the TikTok crackdown is based on speculative and secret security concerns in violation of the First Amendment.

"The law before this court is unprecedented, and its effect would be staggering," Andrew Pincus, a lawyer representing TikTok, told the panel. "For the first time in history, Congress has expressly targeted a specific U.S. speaker, banning its speech and the speech of 170 million Americans."

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The litigants have asked the D.C. Circuit to rule by Dec. 6 so

they can determine priorities as they prepare to restart negotiations with the company on Tuesday.

Boeing workers have said the proposed wage increases were too small after a decade of stagnating pay and the rising cost of living in the Pacific Northwest.

About 94% of members of the International Association of Machinists and Aerospace Workers chapter voted to reject the contract.

The union's members had never rejected a contract recommended by its leaders. Before their last deal, in 2008, negotiations led to a 57-day strike that stymied production and cost the company an esti-

BUSINESS & FINANCE



CHINA KASINGER FOR WSJ

The machinists union rejected a deal between the union's leaders and Boeing executives.

imated \$100 million a day.

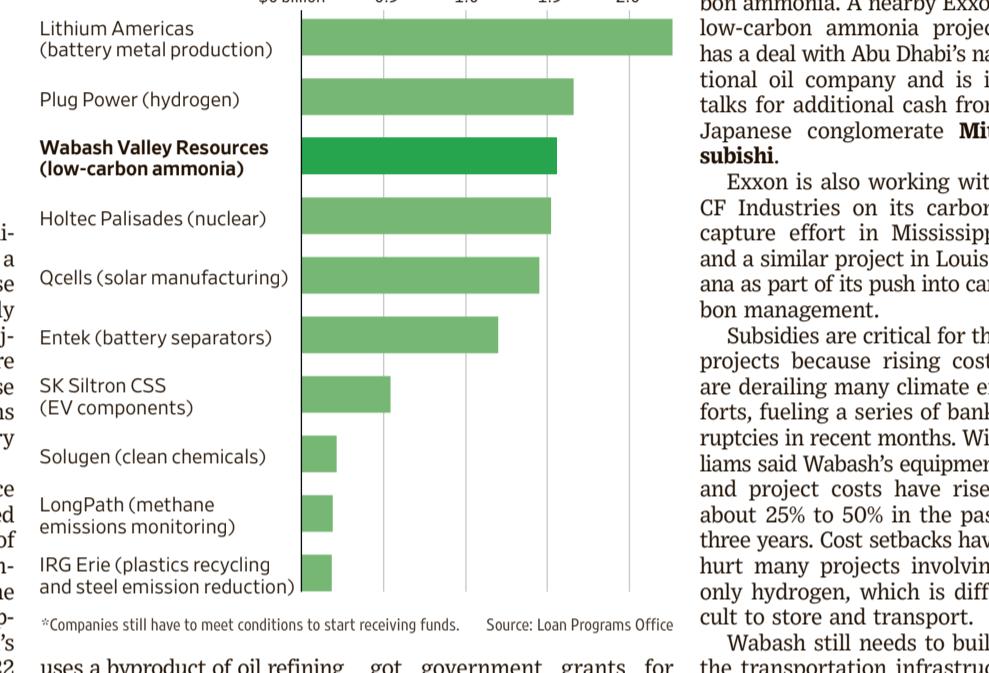
"Our confidence radiates from every picket line as we seize control of our future," the union's bargaining com-

mittee said in a note to members Friday. "We are ready for the long haul."

The company is eliminating all first and business-class air

travel, including for executives. It also is pausing spending on outside consultants.

—Alison Sider contributed to this article.



BUSINESS NEWS

Failed Trucker Yellow Loses Pension Ruling

Judge said company is still liable for unfunded benefits after its shutdown

By PAUL BERGER

A bankruptcy judge ruled that failed trucker **Yellow** can't escape its pension withdrawal liability, dealing a blow to other creditors and sending shares in the remnants of the business spiraling downward.

Judge Craig Goldblatt, in a ruling late Friday, said Yellow is liable for billions of dollars in unfunded pension benefits for its 22,000 workers after it went out of business last year.

The decision will severely limit how much Yellow can pay out to unsecured creditors, ranging from one of the country's biggest railroads to a slew of mom-and-pop businesses. It will also hit hedge fund MFN Partners, which bought a roughly 42% stake in Yellow shortly before it filed for bankruptcy protection.

Stock in Yellow, the entity charged with dissolving the trucker's terminals, equipment and other assets, plunged to below 50 cents a share in pre-market trading Monday, from \$5 a share late last week before the judge issued his ruling. The stock recovered to close at 78 cents a share on Monday.



Eleven pension funds say they are owed \$6.5 billion.

Eleven pension funds say they are owed \$6.5 billion because Yellow withdrew early

from their plans.

Yellow, one of the oldest and biggest U.S. trucking busi-

nesses, collapsed in the summer of 2023 in one of the biggest failures yet of an American trucking company.

The former trucker is on target to raise more than \$2.5 billion from the sale of its nationwide network of truck terminals as well as tens of thousands of tractors, trailers and other pieces of equipment.

That is enough to repay the roughly \$1.2 billion Yellow owed to secured creditors, such as the federal government and investment firm Citadel, as well as the several hundred million dollars needed to cover priority unsecured claims such as former workers' unpaid wages and benefits.

It would also have been enough to pay more than \$500 million owed to unsecured creditors, such as Berkshire Hathaway-owned BNSF Railway as well as a string of smaller companies that did business with Yellow. But the judge's ruling will severely dilute funds available for those payouts.

Yellow had argued that the company shouldn't have to pay a withdrawal liability, in part, because the plans received \$41.1 billion in federal aid during the Covid pandemic.

Judge Goldblatt rejected those arguments. He also rejected the size of some of the pension claims, which will be determined later.

BP to Shift Focus by Selling U.S. Onshore Wind-Energy Unit

By ADAM WHITTAKER

BP plans to sell its U.S. onshore wind-energy division in a move to simplify its business and focus on its solar operation, Lightsource BP.

The London-listed oil-and-gas company said it would soon launch the sale process for BP Wind Energy, as the business isn't aligned with its growth plans for renewables via Lightsource, a joint venture it expects to take full ownership of before the end of the year.

BP Wind Energy owns stakes in operating onshore wind-energy assets across seven U.S. states. The grid-connected assets have a combined gross generating capacity of 1.7 gigawatts. BP didn't provide financial details, but Bloomberg and the Financial Times have reported a business valuation of at least \$2 billion.

The divestment is part of a wider strategy to simplify the business and increase the company's value as it transitions to an integrated energy company, it said.

Within renewables, BP is shifting its focus toward Lightsource, where it plans to develop assets for both solar and onshore wind. The shift will help meet BP's own demand for low-carbon power and help customers decarbonize their operations, the company said.

Separately, BP said Monday it was selling an undisclosed share in Trans Adriatic Pipeline to Apollo for \$1 billion. The company announced that it was selling a noncontrolling share in BP Pipelines TAP—which holds 20% of Trans Adriatic Pipeline—but would remain the controlling shareholder after the deal.

Trans Adriatic Pipeline owns and operates the final 880-kilometer, or roughly 55-mile, leg of the Southern Gas Corridor pipeline system that transports natural gas from the Shah Deniz gas field in the Azerbaijan sector of the Caspian Sea to markets in Europe.

The sale is expected to complete in the fourth quarter of this year, subject to regulatory and other approvals.

Red Lobster Exits Chapter 11 Bankruptcy



MICHELE BRUZZESE FOR WSJ

Red Lobster has emerged from bankruptcy with new management and ownership as the struggling seafood-restaurant brand looks to turn the tide.

The restaurant chain said Monday that it has formally exited chapter 11 restructuring and been acquired by RL Investor Holdings, a lender

group led by Fortress Investment Group along with co-investors TCW Private Credit and Blue Torch Capital.

At the helm of the resurrected business is P.F.

Chang's former chief executive Damola Adamolekun, who said Red Lobster was starting a new chapter with backers who have a strong

record of successfully investing in restaurants.

The new leadership's long-term investment plan for the chain includes more than \$60 million in new funding, Adamolekun said.

In May, Red Lobster became one of several restaurant brands to file for bankruptcy as cash-strapped

consumers spend less on casual dining. The chain sought to boost traffic with an all-you-can-eat shrimp deal that wound up costing it millions.

Seafood supplier Thai Union Group, previously Red Lobster's largest owner, sold its stake in the company earlier this year.

—Dean Seal

Murdochs Face Off in a Reno Courthouse Over Family Trust

By KATHERINE SAYRE

The proceedings are closed to the public and the media.

Rupert and Lachlan Murdoch arrived early Monday for the start of the trial, holding hands with their wives as they climbed the courthouse steps. Lachlan's siblings arrived earlier in a caravan of black SUVs.

Families have long placed ownership of assets into trusts, a financial tool that enables wealth to be passed to future generations outside the probate court system. A handful of states, including Nevada and South Dakota, have been competing to be the most attractive home for those trusts.

"It's almost become an arms race among the states to create better statutes," said Lou Robinson, president and chief executive of Alliance Trust Company, which acts as a Nevada trustee for families from around the world.

Trust lawyers say Nevada's advantages include strong asset protection from creditors,

the ability to establish a trust that lasts 365 years and no state income tax. The state also offers muscular privacy provisions that allow court proceedings related to trusts to be kept secret.

"Anybody who is either the trustee or a beneficiary can petition to have the matter sealed, and so that way nobody can see what's going on," said Dara Goldsmith, an attorney in Las Vegas.

That is the approach the Murdochs chose. All filings in the case have been kept under seal by Washoe County probate commissioner Edmund "Joe" Gorman. The little information available publicly shows there are at least five days set aside for the hearing. Petitions to open up the proceedings have failed.

Rupert Murdoch is arguing that shifting voting control of the trust to Lachlan should be allowed because it is in the best interest of all the beneficiaries, including his other children.

The 113-year-old courthouse is a landmark in downtown Reno with a towering copper dome. The courtroom where the Murdoch case will play out is in a 1960s extension of the complex, where most days the dockets are filled with routine criminal proceedings. More typical probate matters are handled by phone conference.

In Washoe County, Gorman makes recommendations on probate cases. The parties in a case have two weeks to request a review from a probate judge.

The case was so shrouded in secrecy that it was named "The Doe 1 Trust" in the court system's website in recent weeks, with no details about who was involved or their points of contention. The court has now acknowledged that "Doe 1 Trust" involves the Murdoch trust.

A representative for the Murdoch trust had argued that the secrecy was necessary because family members

could be at risk if private and sensitive information about them were made public, according to court documents viewed by the Journal.

A group of media outlets, including the New York Times, CNN and the Washington Post, countered that the level of secrecy in the case "does not pass constitutional muster" at both the federal and state levels.

"The public has immense interest in which of Murdoch's children will succeed him," the media group said in court filings.

"The succession will affect thousands of jobs, millions of worldwide media consumers, and the American political landscape."



Rupert Murdoch, center, and his wife Elena Zhukova Murdoch, arrive at the courthouse in Reno, Nev., for the start of the trial.

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Oracle Teams With Rivals in the Cloud

AWS partnership follows up on earlier arrangements with Microsoft, Google

By BELLE LIN

Oracle announced a partnership with **Amazon.com's** cloud unit, cementing its strategy of joining with once sworn rivals, and finding its own niche in the cloud and artificial intelligence era.

The Austin, Texas-based tech giant, which has lagged behind Amazon, **Microsoft** and Google in cloud computing for years, has now built partnerships with all of them. And it is doing so by wielding the flagship database software that has for decades powered large businesses' operations, transactions and customer data.

Safra Catz, Oracle's chief executive, said in an interview that the major cloud providers recognize that their customers aren't doing away with Oracle databases. Rather than running them on premises or inside data centers, they want to use them in cloud platforms such as Microsoft Azure,

Google Cloud or Amazon Web Services.

That is the basis of Oracle's alliances with those three companies, which give customers the option to use its relational databases inside its partners' cloud platforms. To enable faster processing between them, Oracle puts its own hardware inside its partners' data centers.

In some ways, the Oracle-Amazon partnership lowers the temperature between the two companies: Oracle co-founder and Chief Technology Officer Larry Ellison has directed insults at Amazon's services, and the two have waged a decadelong battle over their competing cloud and database products.

Since its rivals Google and Microsoft teamed up with Oracle earlier, Amazon was left with no choice but to join up as well, Catz said. "If they're competing with either Azure or Google or [Oracle], and they're the only ones who can't run important Oracle workloads fast and secure, that's a business killer."

At Oracle's annual conference last Tuesday, AWS Chief Executive Matt Garman joined Ellison onstage. Some of



Oracle Chief Executive Safra Catz spoke at the company's annual conference, held in Las Vegas last week.

AWS's customers use Oracle for their most important data, Garman said at the event, but they "wanted to run all of those mission-critical workloads inside of AWS."

"While this isn't the first time we've made it possible for customers to run Oracle from AWS—in fact, we've had joint customers since 2008—this announcement is focused on removing barriers for our customers," Ruba Borno, vice

president of global specialists and partners at AWS, said in a statement.

Financial-services company **State Street** runs in AWS and uses Oracle's Exadata database, said its Chief Technology Officer Andrew Zitney. "As opposed to spending all the time integrating, we can spend time innovating because you did the integration for us," Zitney said onstage at the conference.

Catz said that Oracle's databases and other software applications bring in the biggest sales margins, followed by its cloud provider partnerships. "We're using their property, so we don't pay rent, we're using their power," she said, referring to Oracle's strategy of putting its hardware in Microsoft's, Amazon's and Google's data centers. "All we do is put computers in a building."

Oracle is continuing to pitch its own cloud platform as a cheaper alternative. It also is touting its private cloud offering—in which Oracle sets up and manages a dedicated cloud inside a customer's data center—for businesses and governments that prefer not to use the public cloud, where computing services are managed by a cloud provider but shared among many customers.

U.K. telecom provider **Vodafone** uses Oracle's private clouds, according to Ellison, who predicted on the company's earnings call that "private clouds will greatly outnumber public clouds."

Last week, Oracle also announced "AI agents" for its suite of business software. AI agents are considered the next evolution of chatbots because they can perform tasks without human involvement. "It's not only AI agents to run your business, but AI agents to build your applications to run your business," Catz said.

For businesses to really get returns on generative AI, however, they will need to use their proprietary data to train AI models, said TD Cowen analyst Derrick Wood. Enterprises are increasingly moving their databases to the cloud, he said, giving Oracle an opening to turn its longstanding database customers into cloud and AI customers.

In fact, using its databases to enter other markets is "the traditional Oracle playbook," said Bernstein analyst Mark Moerdler. Decades ago, the company began selling software that runs on its databases, he said, and used the same tactic to enter certain industry sectors.

"Oracle's been around since 1977—it has got so much deployed and it's so operationally embedded," said Steven Dickens, an analyst at market research and advisory firm Futurum. "It's really hard to unravel."

America's Cup Boosts Green Goals

By PERRY CLEVELAND-PECK

BARCELONA—Merchant shipowners with an eye on a sustainable future will have Barcelona in their vision this month and next as the America's Cup yacht races there offer insight for the industry's net-zero emission goals.

The event, which takes place every three or four years in locations around the world, brings together world-class sailors and money-no-object design teams in a bid to create state-of-the-art boats in the hope of winning the oldest international sports competition.

"A surprising amount of the tech that is developed for the America's Cup finds its way into the commercial fleet" as the industry "strives to reduce carbon emissions," said Peter Sand of ocean analytics firm Xena.

Founded by Ben Ainslie, the captain of the British America's Cup team for the past three campaigns and a sailing medal winner in five consecutive Olympic Games, Bar Technologies was born out of the 2017 America's Cup regatta with one idea: Why let all the effort and money that went into designing and perfecting the race boats go to waste once the event is over?

The boutique marine-consulting firm, based in Portsmouth, England, has since taken some of the winning formulas from the America's Cup campaigns and applied them to the commercial sector. Its WindWings technology, solid sails developed using techniques borrowed from the America's Cup and adapted for commercial shipping, allows a vessel to maintain speed while powering its engine down, thereby consuming less fuel and operating more efficiently and sustainably.

"We're always pushing the boundaries in the America's Cup," Ainslie said. "When we set up the British team, we also established a technologies business on the back of that.



U.K. race boat Ineos Britannia sails on foils in practice for the America's Cup.

The wing-sail technology was the most transferable for commercial shipping. And now they're on these huge commercial tankers."

Last year, Singapore shipping company Berge Bulk, which owns a minority stake in BAR Technologies, launched a 300-meter bulk carrier fitted with four WindWings, which it says help to lower fuel consumption by up to 20% and reduce emissions by an average of 19.5 metric tons a day. U.S. agribusiness giant **Carroll**, which put two WindWings on one of its 230-meter carriers for six months, said that in optimum conditions the sails are able to save 11 metric tons of fuel, or 41 metric tons of CO₂ equivalent, a day—a 37% emissions saving.

Bar Technologies is working with U.K. shipping company **Union Maritime** to put WindWings on a number of vessels it has under construction. The company, which says it has the world's largest wind-assisted propulsion system, or WAPS, fleet on order, said in June that it too had bought a minority stake in Bar

Technologies.

Uptake of sail technology within the commercial sector is growing. In a report last month, U.K. professional services firm Lloyd's Register found that deployment of WAPS is expected to pass the 100-installation mark in the next two to three years.

Gavin Allwright, secretary-general of the International Windship Association, who is quoted in the Lloyd's Register report, said the challenge for shipbuilders is taking state-of-the-art technology seen in races and turning it into a robust product that can last 30 years. "In the racing community, every second, every fraction of a knot, can be the difference between winning and not winning. Many of our members are taking these incredibly fine, highly developed models and adapting them for a commercial level, where those systems, those materials can be replicated at scale and be cost-effective," he said.

Bar Technologies isn't the only marine engineer with roots in yacht racing that is making sails for today's merchant fleet. French naval architect VPLP, which built the catamaran that won the 2010 America's Cup, designed the rigid wings for the first sail-assisted containership, Canopée, which was built to transport Ariane rocket components between mainland France and French Guiana.

In Germany, **Hapag-Lloyd** is working with the blue water yachtsman Boris Hermann on a possible wind propulsion project for some of its vessels.

"There's probably about 40 different companies developing wind-propulsions technologies worldwide. Thirteen of those are in the market or just coming in, offering four or five different types of wind propulsion," Allwright said.

Bar Technologies CEO John Cooper said that to attract the best designers and engineers to his company, he needs to offer exciting projects around sustainability. "The shipping industry is one of the dirtiest. It is burning fuel that is the waste product of refineries. So if you're really into decarbonization, the maritime business is a really exciting area," he said.

confirming a win that has been largely expected since last year.

News of that defense deal helped fuel a 6% jump in Intel's stock, which nevertheless remained about 60% below its highest point over the past year as of Monday's close. Shares jumped another 8% in after-hours trading following Intel's other announcements.

Intel's newest moves are the product of a board meeting last week to discuss strategy and how the company is meeting goals laid out last month.

Intel will cut the number of its office locations by two-thirds by the end of this year as part of the streamlining, Gelsinger said, centralizing small and disparate teams that weren't capital efficient.

"Taking two-thirds of those locations away is a big statement about building a simpler, more-efficient and operationally more-nimble Intel," he said.

Aided by new government incentives, Intel announced large new chip factory projects

in Arizona, Ohio, Germany and other places since Gelsinger took the helm. In the U.S., Intel was given a preliminary award of up to \$8.5 billion through the Chips Act of 2022—legislation Gelsinger lobbied for.

Some of those projects have moved ahead quickly, including one in Arizona, although others have slowed amid cuts to Intel's capital spending. The Ohio project remains under construction, although the company delayed it from its initial timeline.

To finance the expansion amid Intel's challenges, Gelsinger has spearheaded deals with big pools of capital to take equity stakes in factory projects. In June, it struck a deal led by **Apollo Global Management** for a \$11 billion

investment in a factory in Ireland. It made a similar deal in 2022 with Brookfield Asset Management involving facilities in Arizona.

The current boom in artificial intelligence took hold about two years into Gelsinger's turnaround effort, and has largely benefited rivals—especially **Nvidia**, whose chips have become a standard in creating and deploying the most-advanced AI systems. Fevered buying of Nvidia's chips sapped demand for Intel's AI offerings.

Gelsinger's aim had been to make five leaps in chip-making technology in four years, but Chief Financial Officer David Zinsner said at a recent conference that the company would skip over one of its incremental advancements because its most cutting-edge chips set to start arriving next year were performing so well.

The cost savings of the skip were worth the trade off, Gelsinger said.

Amazon Sets Full Office Work

Continued from page B1

Francisco. The decision prompted some staff to leave or be pushed out, and some speculated the return-to-office rules were another way to thin out the workforce. Amazon laid off more than 27,000 employees from late 2022 to early 2023 and cut its workforce across divisions such as entertainment and its Alexa department.

Even as early as August 2020, Amazon indicated that its future would be at the offices it opened throughout the country. The company that year expanded its offices in six U.S. cities, and executives spoke about the importance of working in person. The company expanded in New York, Dallas and Phoenix, among other cities, and has large offices in Arlington, Va., and Nashville.

Jassy said the policy would allow for remote work in extenuating circumstances, such as having a sick child, as it did before the pandemic. Approved exceptions to the return-to-office policy will be respected, he said.

The move could prompt other tech companies to follow suit, said Rob Sadow, CEO of Flex Index, a software firm that tracks return-to-office efforts.

"Major tech companies will now think about their policy again, potentially, in light of Amazon making this change," Sadow said. He said it is also likely to trickle down to the decision makers at smaller companies that look up to the tech giant. "It will cause a bit of churn and some meaningful reflection, I think, in a lot of technology companies," he said.

In the third quarter of 2024, 33% of all U.S. companies required employees to come to the office full-time, according to Flex Index's data. Among technology companies with more than 1,000 employees, only 7% had such a requirement.

Executives at some companies have tried to lure employees into offices more often, hoping staffers see value in working side-by-side with their employers or in learning from colleagues in person.

"I'm very carrot, not stick," said Sarah Franklin, CEO of Lattice, a human-resources technology company that has a hybrid in-office policy. "I would like more people back in the office, but we're doing well, and people feel like they're adults, they're trusted, they're not being tracked."

Many have come to accept that employees will spend at least some of their working time at home, and that hybrid work arrangements will be tough to abandon altogether.

"Hybrid is the most complex environment to actually orchestrate or pull off," said Paul Knopp, CEO of the professional-services firm KPMG US. "The other two are sort of simple: either you're at the office all the time or you're fully remote."

Saipem Stock Gains on \$4 Billion Contract

By ADAM WHITTAKER

Saipem shares rose after the Italian oil-field services company was awarded a \$4 billion engineering, procurement and construction contract from QatarEnergy LNG.

Its shares climbed 4.9% in Milan to €1.96, or about \$2.18. In the year to date, the shares are up about 32%.

Saipem said Monday that it will deliver engineering, procurement and installation work to sustain production at the North Field natural-gas reservoir, located offshore the northeast coast of Qatar.

The program includes the installation of six platforms and the laying of subsea pipelines and cables. The contract follows a \$4.5 billion agreement signed in October 2022 with QatarEnergy's predecessor company Qatargas to provide engineering and construction services, also at the North Field site. Qatargas changed its name to QatarEnergy in 2023.

The new contract "further consolidates Saipem's position and track record in Qatar," the Italian company said.

Intel Details Its Steps to Cut Costs

Continued from page B1

way for such a move later, although Gelsinger said the company is better as one.

Intel also said that it reached a multibillion-dollar agreement for **Amazon.com's** cloud-computing arm to manufacture chips at Intel factories using an advanced chip-making technology expected to go into production next year. Intel also will make custom versions of its server chips for Amazon, it said.

Intel earlier Monday said that it was awarded up to \$3 billion by the Biden administration to build manufacturing for the U.S. defense industry,

confirming a win that has been largely expected since last year.

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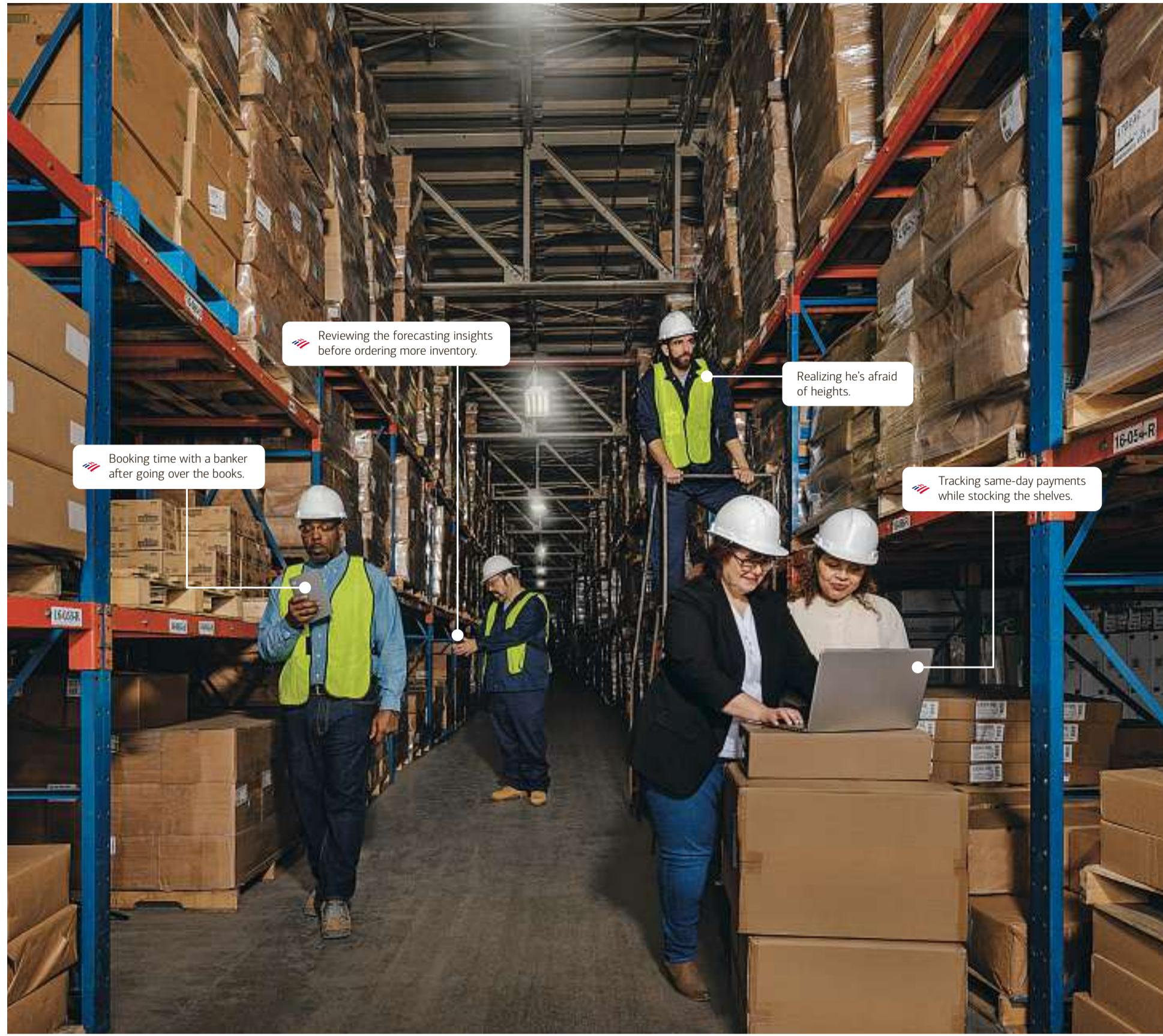
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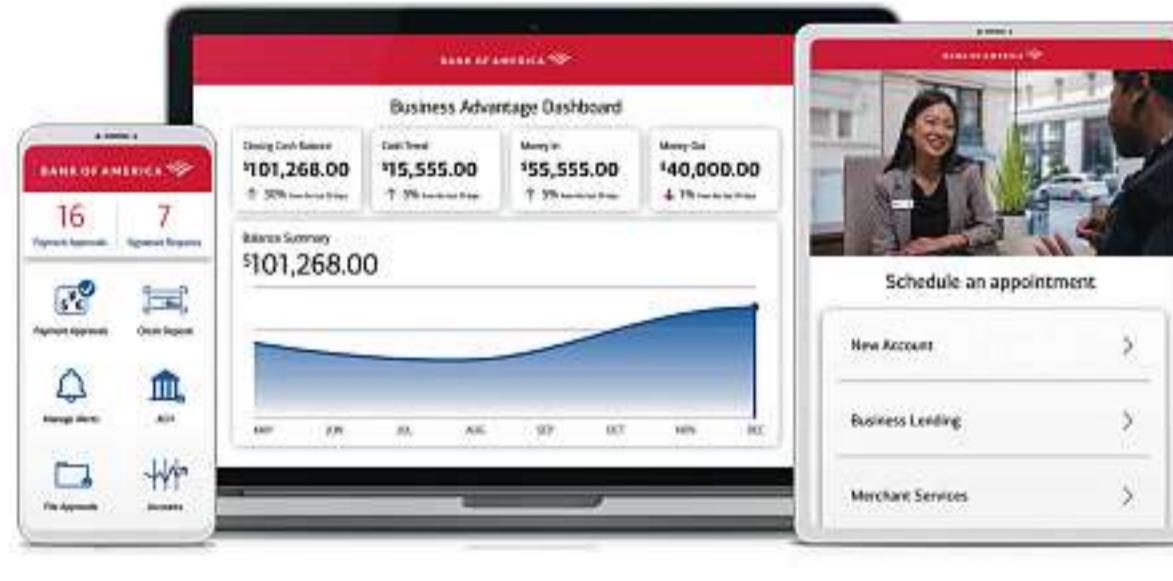
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BIGGEST 1,000 STOCKS

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; t-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.

Monday, September 16, 2024

Net Net

Stock Sym Close Chg Stock Sym Close Chg

A B C

Ally Financial ALLY 33.02 0.09 AlresMgmt ARES 149.39 2.92

AllynianPharm ALNY 270.37 5.10 argenX ARGX 537.94 -0.07

Alphabet GOOGL 158.06 0.60 AristaNetworks ANET 359.16 -0.60

Altria MO 51.70 -0.24 AsurTech AZPN 226.10 0.89

Ambev ABEV 2.33 0.02 Aszenzeeca AZN 175.04 1.41

Amcor AMCR 11.20 0.13 Atlassian TEAM 165.95 0.41

Amdocs DOX 86.94 0.45 AtmosEnergy ATG 128.37 2.20

Amgen AMGN 10.55 0.20 Autoliv ALV 94.82 -0.69

AMN 318.00 -0.46 Autodesk ADSK 267.73 3.77

AMPA APA 24.44 0.50 AutoZone AZO 310.04 -22.32

AMR 10.94 0.78 Autotech ADP 278.60 1.09

AMT 22.27 0.63 AvantAvalon AVB 232.86 -1.89

AT&T T 61.61 -0.16 Avigrid AGI 73.00 0.29

AT&T Mobility AMH 40.95 -0.17 AvalonBay AVB 232.86 -1.89

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AbbottLabs ABT 117.63 1.23 Avnet AVT 27.20 0.32

AbbVie ABBV 195.73 1.52 Awty AWK 149.09 0.96

Accenture ACN 354.12 4.54 AxiallAxialCo AX 27.20 0.32

AcuityBrands AYI 262.54 4.50 AxaltaCoatings AXTA 35.16 0.36

Adobe ADBE 521.50 15.37 Axmerics AMR 445.14 4.75

AdvoDrainageSys WMS 148.42 0.84 Axmetek AME 168.35 1.12

AST Space STARS 29.84 0.01 Axon AXP 261.05 2.09

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NEW HIGHS AND LOWS

WSJ.com/newhighs

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.

Monday, September 16, 2024

	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg	Stock	52-Wk % Sym	Hi/Lo Chg		
H高压	BancoBBVA BBAR	12.03 -0.1	CarterBldrs CBLT	17.82 1.3	GilbNetLeasPfd GLNLP	22.50 0.5	EllingtonFinPfd EFCpH	22.49 0.9	GilbNetLeasPfd GLNLP	23.39 1.1	KeurigDrPepper KDP	37.84 -0.7	OmegaHealthcare OHI	41.09 0.4	SBFG SBFG	18.67 2.7	Verizon VZ	45.05 1.3	Fresh2 FRES	1.37 -9.8
AACN AAON	96.61 2.4	BancoAmpPfd BMUpl	23.88 0.7	CellebriteVaste CLBT	17.61 0.1	EntelSvsPfd ENSCP	21.03 -1.0	HCA HealthCare HCA	404.33 2.4	KeyCorpPfd KEYpH	25.68 -0.7	On Holding ONON	50.09 0.2	SB Financial SIMAU	10.13 0.4	VillageBank&Tr VBFC	50.52 1.8	GRAVY GRVY	58.70 -2.0	
AFC Gamma AFCG	10.58 1.4	BancoAmpPfd BMUpl	24.35 0.9	SchwabPfd SCHW	25.67 0.9	EquitablePfd EQHpl	22.77 0.3	GlobeConstr GVA	77.78 1.2	KeyCorpPfd KEYpH	24.74 -0.2	One Liberty OLP	28.60 1.1	SK Telecom SKM	24.46 0.6	VillageSuperA VLGEA	33.10 0.4	Genrex GNPR	0.32 -6.9	
AG Mortgage Pfd MITG	21.31 1.8	BancoAmpPfd BMUpl	24.12 0.3	QatariEnergyPfd QATP	22.45 -0.6	EquitablePfd EQHpl	20.18 0.5	GraniteContr GPRU	60.89 0.4	KimCoRealtyRfd KIRpH	24.55 1.3	OutFrontMedia OUT	17.75 2.9	SR Bancorp SRB	10.46 1.1	VistaGlobal VZG	0.74 -1.4	GlobalFoundries GFS	38.49 -1.4	
AGNC InvPfd AGNC	24.70 0.6	BancoAmpPfd BMUpl	25.58 0.2	ChesapeakeLodg CLDPA	24.45 -0.8	EquitablePfd EQHpl	17.60 0.2	Harbo HRM	39.73 -0.4	KiteRealty KRG	27.10 -0.2	OutFrontMedia OUT	17.75 2.9	SR Bancorp SRB	10.46 1.1	Gogo GOGO	6.74 -5.1			
A-MarkPfd AMRK	47.39 -4.5	BancoAmpPfd BMUpl	25.58 0.2	EncapHealth EHC	45.99 0.4	EquityResdn EQR	78.04 -0.4	HealthcareRealty HR	18.90 -0.7	KnifeKnife KNF	88.24 -0.3	OxfordLanePfd OXLCN	24.40 0.7	SableOffshore SOC	25.26 11.1	VornadoRealty VNO	37.59 3.1	GoldenMinerals AUMN	0.23 -8.6	
AT&T Nts 2067 TBB	22.28 2.7	BancoAmpPfd BMUpl	25.58 0.2	Guidewell GWRE	17.19 0.6	EquityResdn EQR	78.04 -0.4	EncapHealth EHC	45.99 0.4	KeurigDrPepper KDP	37.84 -0.7	OxfordLanePfd OXLCN	24.40 0.7	SableOffshore SOC	13.70 2.0	WECC Energy WEC	96.65 0.6	GlobalWat GWW	0.08 -26.0	
AT&T Nts 2067 TBB	22.49 -0.5	BancoAmpPfd BMUpl	24.50 0.6	HeathCareHlth HCH	404.33 2.4	EquityResdn EQR	78.04 -0.4	EncapHealth EHC	45.99 0.4	KeyCorpPfd KEYpH	24.74 -0.2	One Liberty OLP	28.60 1.1	SK Telecom SKM	24.46 0.6	VillageSuperA VLGEA	33.10 0.4	Genrex GNPR	0.32 -6.9	
AT&T Pfd TpC	21.47 0.2	BancoAmpPfd BMUpl	24.94 1.2	ClearSecure CSU	31.52 2.8	EquitablePfd EQHpl	22.77 0.3	Manebrands MBI	49.32 0.4	KimCoRealtyRfd KIRpH	24.55 1.3	OutFrontMedia OUT	17.75 2.9	SR Bancorp SRB	10.46 1.1	VistaGlobal VZG	0.74 -1.4	GlobalFoundries GFS	38.49 -1.4	
AXIS Capital AXPS	22.91 0.2	BancoAmpPfd BMUpl	22.86 0.5	Clorox CLX	16.99 -0.2	EquitablePfd EQHpl	17.70 0.1	Harbo HRM	39.73 -0.4	Latham LTHM	8.79 -0.3	OxfordLanePfd OXLCN	24.40 0.7	SableOffshore SOC	13.70 2.0	WECC Energy WEC	96.65 0.6	GlobalWat GWW	0.08 -26.0	
AcrCapitlPfd ACAP	10.89 1.2	BancoAmpPfd BMUpl	26.51 0.5	Coca-ColaEuro CCEP	82.32 0.2	EquitablePfd EQHpl	20.18 0.5	Harbo HRM	39.73 -0.4	LeatherAdv LAMP	6.79 -0.3	OxfordLanePfd OXLCN	24.40 0.7	SableOffshore SOC	13.70 2.0	WECC Energy WEC	96.65 0.6	GlobalWat GWW	0.08 -26.0	
AffiliatedMngt MDR	24.97 0.4	BancoAmpPfd BMUpl	25.42 0.2	Coign Coign ECR	37.03 0.8	EquitablePfd EQHpl	17.60 0.2	HealthcareRealty HR	18.90 -0.7	Lennar LNN	188.19 0.7	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AffiliatedNts MDR	20.51 0.8	BancoAmpPfd BMUpl	25.42 0.2	Comcast CEC	149.88 3.1	EquitablePfd EQHpl	17.60 0.2	HealthcareRealty HR	18.90 -0.7	Lennart LNN	606.16 2.1	Parsons PSN	100.08 -0.5	Sempra SRE	84.29 0.4	WellsFargoHd WFCp	20.59 1.4	ITUTZ	0.90 -5.5	
Agreeability ADC	77.30 0.0	BancoAmpPfd BMUpl	27.21 0.4	Corvette CTR	12.03 0.1	EquitablePfd EQHpl	33.32 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
Alexander's ALX	1.41 -0.4	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AmerWaterPfd AMH	41.41 -0.4	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AmerWaterPfd AMH	41.41 -0.4	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AngloAm Pfd ANG	14.78 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AngeloAms Mtgs AGM	25.71 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
Aon AON	355.47 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AppLwin APP	116.97 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
Armark ARK	38.54 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
Arctech ARCT	1.44 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
Arsenal Accts AACT	10.81 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
ArsMining ARMN	5.16 -3.4	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AsfbAnBndPfd ASBPd	23.62 0.1	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AsfbAnBndPfd ASBPd	22.48 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6.79 -0.3	PearceBancorp PCBN	21.27 2.3	SandyStormGold SAND	6.29 0.3	SmartGridSandw SAND	1.59 0.1	IntuTech INTW	5.05 0.2	
AsfbAnBndPfd ASBPd	22.48 0.0	BauschLomb BLC	18.30 1.5	CouponsProperties COUP	29.71 0.1	EquitablePfd EQHpl	25.38 0.2	HuntingtonPfd HBNP	23.59 0.2	LeisureAdv LAMP	6									

MARKETS & FINANCE

Dow Hits Record Amid Rate Bets

Traders are boosting wagers that the Federal Reserve will kick off its interest-rate easing campaign with a big cut.

On Monday, derivatives markets showed investors saw a roughly 3-in-5 chance of a half-point rate

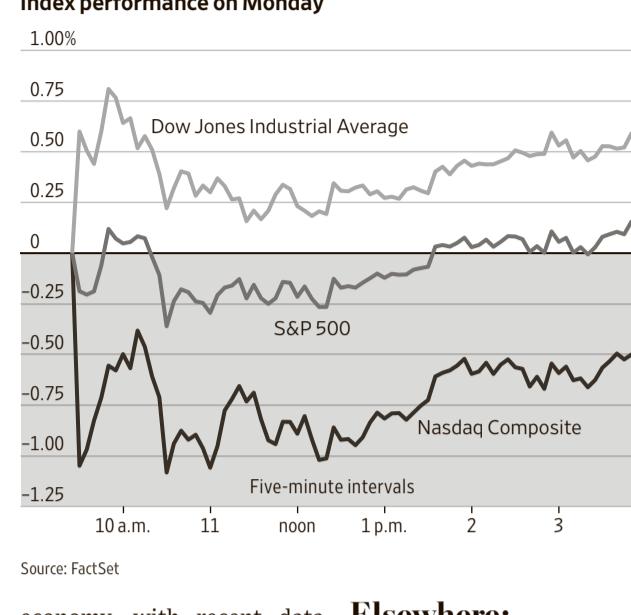
MONDAY'S cut on **MARKETS** Wednesday.

That is up from 50-50 odds on Friday, according to CME Group data—and just 14% earlier last week.

Yields on two-year Treasury notes, which are especially sensitive to interest-rate expectations, fell to 3.554%, the lowest level since September 2022.

The Dow Jones Industrial Average rose 228 points, or 0.6%, to 41622.08, to a fresh high. The technology-heavy Nasdaq Composite slipped 0.5% while the S&P 500 inched up 0.1%.

Traders said this Fed decision has been marked by higher uncertainty than usual. Some investors have grown wary about the fragility of the



Source: FactSet

economy, with recent data showing some Americans are struggling to keep up with their bills.

"We are getting incrementally more concerned about growth," said Alessio de Longis, head of investments at Invesco Solutions.

Elsewhere:

◆ The benchmark 10-year Treasury yield declined to 3.622%, the lowest since June 2023.

◆ The yen rallied to stand at about 140 yen per dollar. The Japanese stock market was

closed for a holiday.

◆ Futures for Brent, the global oil benchmark, climbed above \$72 a barrel.

—Chelsey Dulaney

and Gunjan Banerji

TUESDAY'S EVENTS:

Retail-sales data are due at 8:15 a.m. ET.

A report on industrial production will follow at 9:15 a.m.

AUCTION RESULTS

Here are the results of Monday'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.

	13-Week	26-Week
Applications	\$198,859,069,800	\$209,105,299,900
Accepted bids	\$76,259,546,800	\$70,239,803,900
"noncomp"	\$2,481,096,700	\$1,920,870,700
"foreign noncomp"	\$100,000,000	\$50,000,000
Auction price (rate)	98.799306	97.770500
	(4.750%)	(4.410%)
Bids at clearing yield accepted	86.17%	8.08%
	912797LQ8	912797KJ5

Both issues are dated Sept. 19, 2024. The 13-week bills mature on Dec. 19, 2024; the 26-week bills mature on March 20, 2025.

STOCK SPOTLIGHT

Trump Media & Technology Group

Shares of Truth Social's parent were volatile, closing 3.8% lower. On Sunday, Donald Trump was the apparent target of a second assassination attempt.

Apple

An analyst post on Medium said the first weekend of preorders for the iPhone 16 was about 13% below last year's equivalent figures, as a result of weak demand for the Pro model. The stock traded down 2.8%.

Bausch + Lomb

The Financial Times reported that the contact-lens company is exploring a sale. Shares jumped 14%.

Intel

The company qualified for up to \$3.5 billion in federal grants to make advanced chips for the Pentagon, according to a Bloomberg News report late Friday. After the market close, Intel unveiled new steps to reduce costs and bolster its chip-

making division. Its shares closed up 6.4% and were trading up around 8% after hours.

Pfizer

The pharmaceuticals maker plans to advance an experimental treatment for a wasting disorder in cancer patients into late-stage studies following a successful mid-stage trial. The stock added 2.7%.

Nikola

Shares of the hydrogen-vehicle startup increased 1.1%, after gaining nearly 6% on Friday. An ammonia producer backed by Nikola and oil companies received a commitment from the Energy Department for a \$1.56 billion loan, The Wall Street Journal reported on Monday.

Rexel and QXO

The French electrical-supplies distributor rejected an offer from Brad Jacobs's QXO, saying the bid was well below its value. Rexel shares surged 9% in Paris while QXO shares dropped 6.5%.

Icahn Enterprises Says Short-Seller Suit Was Dismissed

By ADRIANO MARCHESE

Icahn Enterprises said a judge dismissed a proposed class-action lawsuit against the company and some of its directors.

Activist investor Carl Icahn's company said District Court Judge K. Michael Moore found reports by Hindenburg Research failed to show that Icahn Enterprises made material misrepresentations or omissions, or

did so with an intent to defraud.

The dismissal is the latest development in a public assault on Icahn Enterprises by short-seller firm Hindenburg, which alleged in a report last year that the company was overvalued, inflated asset marks and paid an unsustainable dividend. Icahn spent the past year sparingly with lenders and regulators after Hindenburg's claims.

In mid-August, Icahn and his

company agreed to settle civil charges from the Securities and Exchange Commission that he failed to disclose pledges of his company's securities as collateral to secure billions of dollars in loans.

Icahn Enterprises then agreed to pay \$1.5 million and Icahn himself agreed to pay \$500,000 in civil penalties to resolve the claims, without admitting or denying the agency's findings.

Biggest 1,000 Stocks | WSJ.com/stocks

Continued From Page 88

Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg	Stock	Sym	Close	Net Chg				
Pfizer	PFE	30.07	0.80	iRELX	RELX	48.12	0.41	RoperTech	ROP	556.56	4.72	RossStores	ROST	153.17	-0.82	SunlifeFinancial	SLF	56.52	0.44	FonicaBras	VIV	10.08	0.26	Verlato	VLTO	109.96	-0.06
PhilipMorris	PM	97.59	0.35	iRPM	RPM	122.16	0.82	iRoyalCaribbean	RCI	123.33	-1.78	SimpsonMfg	SSD	183.13	-1.01	SuncorEnergy	SU	36.72	0.28	Twilio	TWLO	40.30	0.84	WesternDigital	WDC	64.09	-0.93
PhilipMorris	PSX	127.34	0.64	RalphLauren	RL	181.44	2.80	RoyalCaribbean	RCL	169.74	1.78	SkechersUSA	SKX	67.86	0.56	Technimonde	TEK	42.34	0.05	TyterTech	TY	585.73	0.45	Westlake	WLK	141.20	2.27
Pilgrim'sPride	PGC	401.05	0.68	RaymondJames	RJ	119.73	1.84	RoyalGold	RGLD	141.05	-2.14	SolarCity	SIRI	23.64	-0.87	TempurSealy	TPX	51.57	0.14	TysonFoods	TSN	61.85	0.45	Weyerhaeuser	WY	35.11	0.22
iPinnacleWest	PNW	91.32	0.62	RichardsIncome	O	62.68	-0.03	RoyalPharma	RPPX	26.28	0.54	SmartAO	AOS	81.70	1.73	Tenaris	TS	28.72	0.41	UbsGroup	UBS	29.79	0.60	WheatMidstrm	ZMB	39.39	0.22
Pinterest	PINS	28.89	0.03	Ridott	RDFT	59.15	0.06	RoyalPharmacy	RPTX	46.94	0.37	RoyalPharmWest	RWT	46.73	1.81	TencentMusic	TME	9.48	-0.03	UHAL	UDL	46.37	0.16	WheatonPort	WPW	62.24	-0.32
PlainsAllAmpipe	PAA	17.79	0.08	RegalRexford	RRX	155.81	0.76	RoyalPharmacy	RPTX	22.60	2.32	RoyalPharmWest	RWT	46.73	1.81	TechneHealthcare	THC	146.62	2.21	U-Haul	UHL	73.04	0.15	WheatonPort	WPW	55.45	0.41
PlainsGP	PAG	18.99	0.17	RegenPharm	RPH	115.08	-0.27	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne	TER	127.89	-3.25	U-Haul	UHL	69.42	0.89	Willards	WWD	45.44	0.41
Pool	POOL	358.49	2.47	RegionsFinl	RF	22.30	0.33	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne	TER	127.89	-3.25	U-Haul	UHL	69.42	0.89	Willards	WWD	45.44	0.41
Primerica	PRI	257.48	2.86	ResMed	RM	82.17	0.85	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne	TER	127.89	-3.25	U-Haul	UHL	69.42	0.89	Willards	WWD	45.44	0.41
PrincipalFinl	PRG	82.17	0.85	RestaurantsBrands	RSB	69.93	0.75	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne	TER	127.89	-3.25	U-Haul	UHL	69.42	0.89	Willards	WWD	45.44	0.41
ProcureTech	PCOR	58.13	0.13	Rivian	RIVN	123.30	-0.20	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne	TER	127.89	-3.25	U-Haul	UHL	69.42	0.89	Willards	WWD	45.44	0.41
Procter&Gamble	PG	177.24	3.16	Rokhino	RBLX	46.24	0.37	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne	TER	127.89	-3.25	U-Haul	UHL	69.42	0.89	Willards	WWD	45.44	0.41
Progressive	PRG	25.31	0.85	RogersComm	BRCI	20.70	0.37	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne	TER	127.89	-3.25	U-Haul	UHL	69.42	0.89	Willards	WWD	45.44	0.41
Prologis	PLD	129.28	0.26	RogersComm	BRCI	20.70	0.37	RoyalPharmacy	RPTX	22.60	2.08	RoyalPharmWest	RWT	46.73	1.81	Telradyne</td											

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Europe Embraces New U.S. Growth Model

Following the path of America will require more government intervention in industrial and trade policy

The European Union's economic planners might want to shout "U.S.A., U.S.A.!" Ironically, though, emulating America today would involve more state intervention.

The bloc's politics were shaken last week after Mario Draghi, the former European Central Bank president credited with saving the eurozone in 2012, published his long-awaited report on how to stop an economic stagnation that has been worsened by the competition posed by Chinese exports and the end of cheap Russian energy.

His demand for more joint debt has already been opposed by Germany, which is hardly a new controversy.

But this is a distracting political football. The crucial point of the report is that "the EU should aim to move closer to the U.S. example in terms of productivity growth and innovation," highlighting that no listed European company valued at more than €100 billion, equivalent to \$111 billion, has been created in the past 50 years. In America, **Apple, Microsoft, Nvidia, Amazon.com, Alphabet and Meta Platforms** all surpass \$1 trillion.

What does moving closer to the U.S. mean, though? Draghi emphasized the importance of the technology sector, saying it is responsible for almost all of the U.S. productivity outperformance over the past 20 years. He argues that "Europe cannot afford to remain stuck" in old industries.

This "vertical" emphasis on a single sector is a big departure from the post-1980s status quo, which has exhorted free markets, entrepreneurship and "horizontal" policies meant to boost the entire European economy such as educating the labor force and building up infrastructure. This view is enshrined in the very foundation of

the European Union, the 1992 Maastricht treaty.

Why the U.S. is more productive is an old question. It was raised in 1928 by Allyn Young, the American chair of the London School of Economics. In a speech, he denied that the gap had to do with U.S. companies being better run. "The largest domestic market in the world," he argued, meant that "productive methods are economical and profitable in America which would not be profitable elsewhere." Over time, this leads to the most complex industries sprouting there.

The takeaway is that firms will only make big productivity-enhancing investments if they operate in growth sectors where it makes sense. This is why Europe has a gap in nonconstruction investment rates relative to the U.S.: Its top three research spenders in recent times have consistently been petroleum-car companies. In the U.S., by contrast, big R&D spenders were in automobiles and pharmaceuticals in the 2000s, then in software and hardware in the 2010s and more recently in digital applications.

But nations can't easily move into these more-complex sectors, because increasing returns to scale create a natural barrier against any entrepreneurial challenger.

Indeed, today's world of "winner-take-all firms," entrenched trade imbalances and agglomeration in a few metropolitan areas can't be fully explained by comparative advantages, or even the impact of misaligned exchange rates and capital flows.

Nor can the history of any nation that ever attempted to catch up economically. During its own catch-up phase to the U.K. in the 19th century, the U.S. was an ardent user of industrial protectionism. More-recent successes like Japan and South

Korea have relied heavily on favored sectors and export markets.

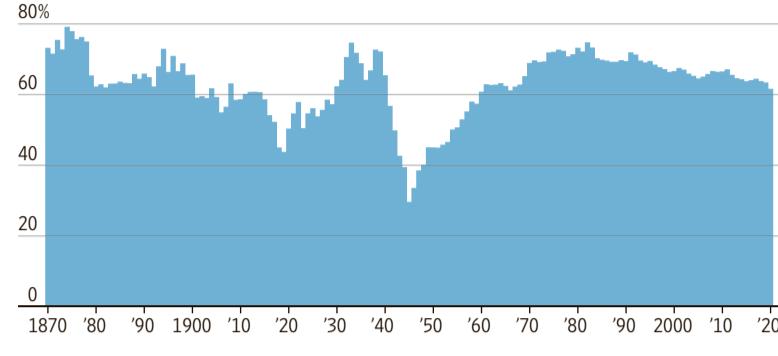
The U.S. was a champion of multilateral free trade in the second half of the 20th century, and it had ample incentives to do so until very recently. But America started to change its mind as China became a direct competitor. Industrial subsidies and a vast domestic market are now helping the Asian country flood global markets with electric vehicles, solar panels and other advanced technologies made at a cost that is unachievable for lower-scale Western competitors.

The response came first through Donald Trump's tariffs, and then President Biden's Chips and Science Act and Inflation Reduction Act, which shovelled federal money at the domestic semiconductor, electric-vehicle and clean-energy industries. Despite growing pains, they have resulted in a boom in manufacturing construction.

But the EU has failed to react to the same extent, paralyzed by fractured governance, Germany's corporatist interests in China and Russia and an acute case of believing its own free-market propaganda. Draghi's image as the ultimate technocrat gives him a shot at changing this, while avoiding a destructively protectionist turn. To do so, the document proposes a trade policy based on "a case-by-case analysis" of what will enhance productivity growth, and an industrial strategy based on picking sectors, rather than specific winners.

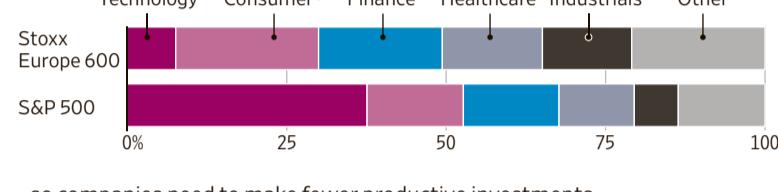
In the case of semiconductors, it earmarks foundries focused on European strengths, such as automobiles and network equipment, as ripe for subsidies. In the space economy, it promotes targeted preference rules to scale up domestic companies. In solar technology, it suggests pushing back against Chinese trade practices and overcapacity, but also warns that retaliating too harshly could jeopardize the bloc's trade surplus in wind tech.

European Union, GDP per capita as a percentage of that of the U.S.*



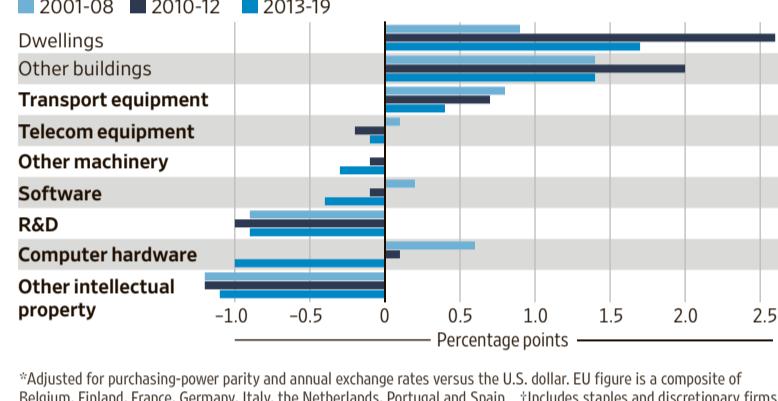
The European economy is focused on more-mature industries...

Market capitalization, percentage of each sector



...so companies need to make fewer productive investments

Gross fixed capital formation as a percentage of value added, difference between the European Union and the U.S.‡



*Adjusted for purchasing-power parity and annual exchange rates versus the U.S. dollar. EU figure is a composite of Belgium, Finland, France, Germany, Italy, the Netherlands, Portugal and Spain. †Includes staples and discretionary firms. ‡EU excludes Ireland. Using national deflators. Categories in bold indicate productive investment.

Sources: Jordà, Schularick & Taylor, 'Macrofinancial History and the New Business Cycle Facts' (2017) (GDP); FactSet (market cap); Hanzl-Weiss, D., & Stehrer, R. (2023), 'Dynamics of productive investment and gaps between the United States and EU countries.' European Investment Bank (gross fixed capital formation)

nese trade practices and overcapacity, but also warns that retaliating too harshly could jeopardize the bloc's trade surplus in wind tech.

The so-called Washington consensus of the late 20th century

preached free trade and laissez-faire economic management. Today, being Team U.S.A. means targeted protectionism and aggressive subsidies for high-tech sectors.

—John Sindreu

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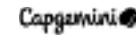


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