

THE WALL STREET JOURNAL.

DOW JONES | News Corp

WEDNESDAY, SEPTEMBER 18, 2024 ~ VOL. CCLXXXIV NO. 67

WSJ.com

★★★★ \$5.00

DJIA 41606.18 ▼ 15.90 0.04%

NASDAQ 17628.06 ▲ 0.2%

STOXX 600 517.19 ▲ 0.4%

10-YR. TREAS. ▼ 5/32, yield 3.641%

OIL \$71.19 ▲ \$1.10

GOLD \$2,564.30 ▼ \$16.10

EURO \$1.1115

YEN 142.42

What's News

Business & Finance

◆ **JPMorgan Chase** is talking with Apple about taking over the tech company's credit-card program after Goldman Sachs and Apple decided to part ways. **A1**

◆ **The Fed is set** to cut borrowing costs at its two-day meeting that ends Wednesday. **A2**

◆ **Stocks closed mixed** ahead of the Fed's decision with the Dow falling 0.04% while the S&P and Nasdaq rose 0.03% and 0.2%, respectively. **B12**

◆ **Pharmacy-benefit manager** Cigna Group's Express Scripts sued the FTC, demanding a retraction of a recent report critical of the industry. **B1**

◆ **The UAW** is once again taking aim at Jeep-maker Stellantis, after threatening to strike its U.S. factories over delays reopening an idled plant in Illinois and other issues. **B1**

◆ **Women still lag behind** men on crucial early promotions into management—holding them back from greater power at work, according to a 10-year study. **B1**

◆ **Alaska Air and Hawaiian Airlines** secured clearance from the Transportation Department for their merger. **B1**

◆ **Mercedes-Benz unwound** a bet on China's electric-vehicle market, selling its remaining 10% stake in Denza to BYD after disappointing sales. **B2**

◆ **U.S. steelmakers** Nucor and Steel Dynamics projected lower quarterly profits, as automotive companies and equipment manufacturers dial down production. **B3**

◆ **Musk said SpaceX** would sue the FAA after the agency proposed fines over alleged violations of rocket-launch regulations. **B3**

World-Wide

◆ **Pagers carried by thousands** of Hezbollah operatives exploded at about the same time in what appeared to be an unprecedented attack that authorities said injured almost 2,800 people and killed nine across Lebanon. **A1**

◆ **Netanyahu's political allies** vigorously made the case for him to replace Israel's defense minister amid disagreement over the war in Gaza. **A6**

◆ **Sean "Diddy" Combs** was indicted by a federal grand jury on charges alleging the onetime hip-hop kingmaker helped run a prostitution and sex-trafficking enterprise. **A1**

◆ **As extreme heat pushed** electricity demand to new highs this summer, the U.S. power grid has held up, but in many places the margin for error is shrinking. **A3**

◆ **Senate Republicans** blocked a bill that would provide legal protections for IVF and mandate insurance coverage, despite Trump's recent pledge to force insurers or the government to pay for them. **A4**

◆ **Attorney General Garland** said the Justice Department would "spare no resource" in investigating Sunday's apparent assassination attempt on Trump in Florida. **A5**

◆ **Facebook owner Meta** is kicking Russian TV channel RT off its apps, depriving the Kremlin-backed media outlet of one of its biggest remaining distribution platforms in the West. **A7**

◆ **Al Qaeda militants** attacked security forces in Bamako, Mali, their first foray in years into the capital of a West African country reeling from insurgent violence in rural areas. **A7**

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Look! Up in the Sky! It's Supermoon!



MOON SHOT: People watch a supermoon Tuesday in Osaka, Japan. NASA said most authorities agree this is the second of four straight full supermoons, which are closest to Earth and are the biggest and brightest of the year.

Harris and Trump Proposals Add to Soaring Federal Debt

By RICHARD RUBIN

The U.S. isn't fighting a war, a crisis or a recession. Yet the federal government is borrowing as if it were.

This year's budget deficit is on track to top \$1.9 trillion, or more than 6% of economic output, a threshold reached only around World War II, the 2008 financial crisis and the Covid-19 pandemic. Publicly held federal debt—the sum of all deficits—just passed \$28 trillion or almost 100% of GDP.

If Congress does nothing, the total debt will climb by another \$22 trillion through

2034. Interest costs alone are poised to exceed annual defense spending.

But the country's fiscal trajectory merits only sporadic mentions by the major-party presidential nominees, let alone a serious plan to address it. Instead, the candidates are tripping over each other to make expansive promises to voters.

Economists and policymakers already worry that the growing debt pile could put upward pressure on interest rates, restraining economic growth, crowding out other priorities and potentially impairing Washington's ability to

borrow in case of a war or another crisis. There have been scattered warning signs already, including downgrades to the U.S. credit rating and lackluster demand for Treasury debt at some auctions.

Vice President Kamala Harris, the Democratic nominee, and GOP rival Donald Trump aren't the same on fiscal policy. She has outlined or endorsed enough fiscal measures—tax increases or spending cuts—to plausibly pay for much of her agenda. He has not.

Still, both Harris and Trump were parts of administrations that helped produce those defi-

cits. Both have promised to protect the biggest drivers of rising spending—Social Security and Medicare. And both want to extend trillions of dollars in tax cuts set to lapse at the end of 2025, amid bipartisan agreement that federal income taxes shouldn't rise for at least 97% of households.

In the past few months alone, Trump has promised to exempt tips from taxation, end income taxes on Social Security benefits, eliminate taxes on

Please turn to page A8

◆ **Campaigns carry on after** assassination attempt... **A5**

JPMorgan In Talks On Deal For Apple Credit Card

By ANNAMARIA ANDRIOTIS AND ALEXANDER SAEEDY

JPMorgan Chase is talking with Apple about taking over the tech company's credit-card program.

Discussions started earlier this year and have advanced in recent weeks, but a deal could still be months away, according to people familiar with the matter. It isn't guaranteed a deal will come together, given key details, including the price, are still to be negotiated.

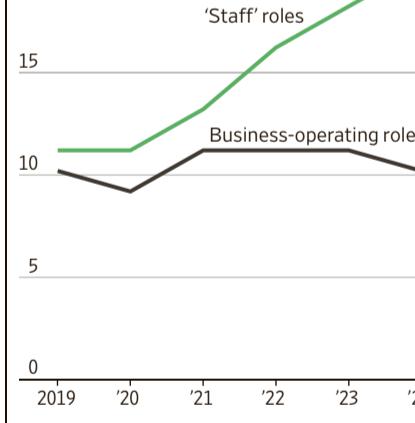
Apple and Goldman Sachs, the current issuer of the card, decided to part ways last year on their partnership, which includes credit cards and savings accounts.

Since then, Apple has spoken with several potential suitors, including Synchrony Financial and Capital One, to gauge their interest in taking over the credit-card program, according to people familiar with the matter. Goldman spoke with American Express last year, The Wall Street Journal reported at the time.

A deal between JPMorgan and Apple would further tie together the U.S.'s biggest bank and one of the largest technology companies in the world. JP Morgan already offers its Chase customers deals on Apple products and pays the company whenever one of its millions of card customers uses Apple Pay.

Landing the deal would expand Chase's card business—already the biggest in the country—while bringing along a loyal

Share of executive positions filled with women in:



*Roles with bottom-line responsibilities that are typically stepping stones to higher leadership
Source: McKinsey/LeanIn.org

Lean-In Progress Stalls

Efforts to advance women at work have spurred gains in corporate C-suites but have resulted in little change at the critical early stages of careers, according to a new, 10-year study of the roles and promotion rates of millions of women and men at major North American companies. **B1**

'Diddy' Combs Faces Trafficking Charges

Sean "Diddy" Combs was indicted by a federal grand jury on charges alleging he helped run a prostitution and sex-trafficking enterprise,

By Alyssa Lukpat, James Fanelli, Steven Russolillo and Joseph Pisani

marking a stunning turn for the onetime kingmaker in the world of hip-hop.

Combs pleaded not guilty to charges, laid out by prosecutors for the Southern District of New York, that he repeatedly abused

and assaulted women. A federal magistrate judge denied Combs bail and ordered him detained after a prosecutor argued in court that the rapper was a flight risk, posed a danger to the community and could threaten the integrity of the case.

Prosecutors said Combs and his associates lured victims into the star's orbit and then forced or coerced them to engage in sexual activity with sex workers, according to the indictment that was filed last week and unsealed Tuesday.

Wearing a black T-shirt and

Please turn to page A4

◆ **Netanyahu allies want new** defense chief..... **A6**

First 'Golden Bachelorette' Wants a Man Who Grocery Shops

Senior-dating reality show stars

grandmother in a second-chance love story

By ASHLEY WONG

Last year, America watched a 72-year-old grandpa date 22 women on TV. Now, they get to see a 61-year-old grandmother date 24 men.

Joan Vassos, a school administrator from Rockville, Md., is set to become the first lead on "The Golden Bachelorette," ABC's senior-dating reality show which begins Wednesday night.

She is seeking an outgoing, courteous man who would enjoy beach outings with her family, and would help with grocery shopping and yard-work, two of her least favorite chores, she said in an interview.

"I grew up with a father that was the ultimate gentleman," Vassos said. "He never

let my mom carry the heavy groceries in. He always hopped up when somebody walked in the room. He always opened doors."

One major deal breaker for her: Being rude to waitstaff. (Vassos worked as a waitress in college.)

For those who haven't been immersed in it, the Bachelor franchise typically features 20 or more young singles competing for a proposal. Last year's "Golden Bachelor" spinoff raised the age bracket

to 60-plus, with women vying to be picked by Gerry Turner.

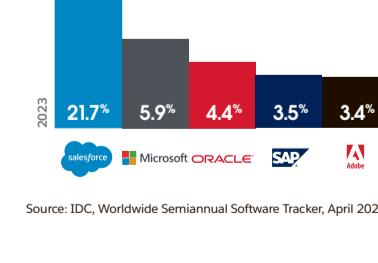
The spin-off promised viewers a second-chance love story, as well as the opportunity to see a positive, hopeful portrayal of older adults on TV. It drew ABC's strongest unscripted audience viewership

Please turn to page A8

Salesforce.

#**1** CRM.

Ranked #1 for CRM Applications based on IDC 2023 Revenue Market Share Worldwide.



Source: IDC, Worldwide Semiannual Software Tracker, April 2024.

salesforce

salesforce.com/number1CRM

CRM market includes the following IDC-defined functional markets: Sales Force Productivity and Management, Marketing Campaign Management, Customer Service, Contact Center, Advertising, and Digital Commerce Applications. © 2024 Salesforce, Inc. All rights reserved. Various trademarks held by their respective owners.

U.S. NEWS

Fed Set to Cut, but Size in Doubt as Risks Weighed

By NICK TIMIRASO

The Federal Reserve is set to cut borrowing costs at its two-day meeting that ends Wednesday. The goal: preserve a solid job market now that price pressures have cooled.

The decision over whether to cut the Fed's benchmark interest rate, currently at a two-decade high between 5.25% and 5.5%, by either a larger half percentage point or by a traditional quarter point will come down to how Chair Jerome Powell leads his colleagues through a finely balanced set of considerations.

Economic data over the past several months show inflation has resumed a steady decline toward the Fed's 2% goal. But the labor market has cooled, with the unemployment rate edging up to 4.2% in August from 3.7% at the end of last year. Monthly payroll growth has slowed to 116,000, on average, for the three months through August, down from 212,000 in December 2023.

"The key issue for them at this meeting is their sense of the balance of risks," said William English, a former senior Fed adviser. "If you are more worried now about growth and employment than inflation, then you might well want to take out a little bit of insurance" with a larger cut of a half point, or 50 basis points.

The argument for a smaller

cut of a quarter point, or 25 basis points, rests on different considerations, including that the economy is fundamentally fine or that cutting too fast could stoke risk-taking that sustains higher inflation.

"If they're not convinced that inflation is really as good as the recent data has suggested, they may still be worried that the battle against inflation will be more protracted and uncomfortable," said English, a professor at the Yale School of Management.

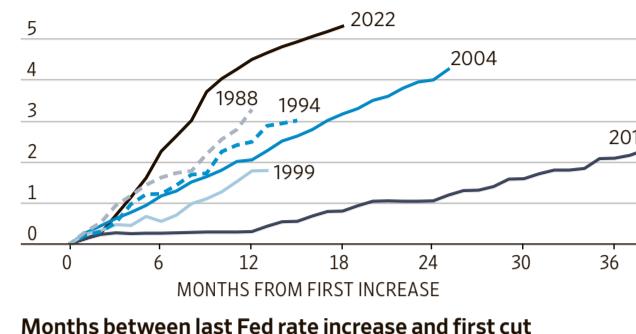
English said a few weeks ago he thought a smaller cut would be appropriate. But the recent downturn in labor-market data has him more nervous, particularly because even after two or three cuts, interest rates will still be at a relatively high level.

Shifting expectations

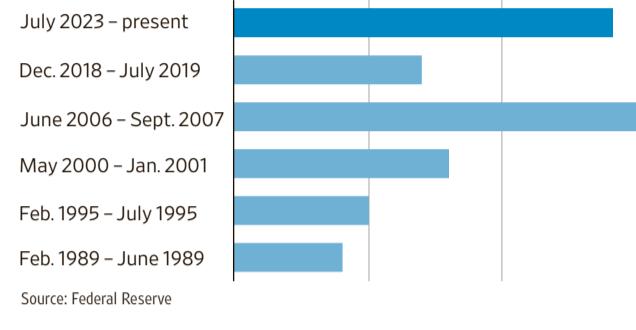
Until late last week, investors had expected a cut of just a quarter point because few officials had made a vocal call for a larger cut. "Their communication said 25. The data was OK," said Laurence Meyer, a former Fed governor.

With inflation still above the Fed's target and given that the economy is "in generally good shape, you can start with 25 and say, 'We can either keep this up for a while, or if it looks like things are weaker, we can go harder,'" said Esther George, who was

Cumulative change in federal-funds rate from start of initial rate increase



Months between last Fed rate increase and first cut



Source: Federal Reserve

president of the Kansas City Fed from 2011 to 2023.

Fed officials were noncommittal about the size of the cut on the eve of the central bank's premeeting quiet period that began on Sept. 7.

"I was a big advocate of front-loading rate hikes when inflation accelerated in 2022, and I will be an advocate of front-loading rate cuts if that is appropriate," Fed governor

Christopher Waller said on Sept. 6, after the release of the most recent payroll report.

During a question-and-answer session that followed, he sounded relatively unperturbed by the recent, slower pace of job growth. Even if monthly job growth declines to 100,000, "that's fine," he said. "That's nothing to be afraid of."

Speaking the same day, New York Fed President John

Williams said recent data point to "a pretty common trend... What we're seeing is a consistent signal of cooling. We want the economy to be in balance and stay in balance."

Regret management

Fed officials often refer to their job as risk management—for example, making sure that they weigh the risks of hotter inflation against the risks of accelerating unemployment. They often set rates to manage against whichever risks seem more costly. For most of the past 2½ years, as inflation soared above 7%, risk management favored a more aggressive approach to prevent inflation from becoming entrenched.

If officials think about which mistake they are less likely to regret at this week's meeting, the case for starting their rate-cutting cycle with a half-point move makes sense, said Robert Kaplan, who served as Dallas Fed president from 2015 to 2021.

"If I were in my old seat, I'd

say, 'I could live with 25, but I'd prefer 50,'" said Kaplan, now vice chairman at Goldman Sachs. Given where inflation and unemployment sit,

the Fed's benchmark rate should be about 1 percentage point lower than it is, he said.

"If I started with a clean sheet of paper, I'd say rates should be at 4.5%-ish."

Minutes from the Fed's meeting in late July show some officials were comfortable with a cut then, but most preferred to wait. July hiring figures, released two days after the Fed's July 31 meeting, were much softer than anticipated.

The Fed's choice will be augmented by quarterly economic projections that show where officials expect rates to end the year. While those forecasts aren't the product of a committee deliberation, they are often as important to financial markets because policymakers' rate outlook can influence a suite of borrowing costs for mortgages, car loans and business debt.

The September projections are particularly informative because there are only two more scheduled meetings this year, in November and December, providing unusually specific views on decisions at those meetings.

If more officials project a total of 1 percentage point of cuts this year, that would imply at least one move of 50 basis points.

♦ Stock indexes fall as rate bets persist..... B12

Watch a Video

Scan this code for a video on what's at stake in the Fed's rate move.

U.S. WATCH



E PLURIBUS UNUM: A naturalization ceremony minted 50 new Americans on Tuesday in Liberty State Park in Jersey City, N.J., on Constitution Day and Citizenship Day.

ELECTION 2024

Trump Floats SALT Deduction Cap End

Republican presidential nominee Donald Trump suggested Tuesday that he wanted to reverse—not extend—a crucial piece of the tax law he signed in 2017.

A day ahead of a rally planned Wednesday on New York's Long Island, Trump posted that he would "get SALT back," a reference to the state and local tax deduction that Trump and Republicans capped at \$10,000 per return.

That cap, along with other major pieces of the law, is scheduled to expire at the end of 2025.

The tax falls disproportionately on upper-income residents in high-tax states, such as New York. The cap is particularly unpopular on Long Island.

Trump's campaign didn't offer any additional details.

—Richard Rubin

KENTUCKY

Schools Reopen, Gunman at Large

Schools reopened with extra security Tuesday in the rural Kentucky county where a gunman who remains at large opened fire on an interstate highway, hitting a dozen vehicles and wounding five people.

As authorities continue searching for the shooter, public schools in Laurel County were in session for the first time since the assailant sprayed bullets onto Interstate 75 on Sept. 7.

The search for the suspected gunman, 32-year-old Joseph Couch, has focused on a rugged, wooded area near London, a city of about 8,000 people about 75 miles south of Lexington.

The district's reopening plan provides enhanced security for buses, school campuses and extracurricular activities.

—Associated Press

NEW JERSEY

Rutgers President Will Step Down

The president of Rutgers University said Tuesday that he would step down next year after a tenure that has included contending with the Covid-19 pandemic, a strike and a no-confidence vote by the faculty senate.

Jonathan Holloway, 57, who became the first Black president of New Jersey's flagship institution of higher learning when he took office in the summer of 2020, said he would leave office when the current academic year ends June 30.

He then plans to take a yearlong sabbatical before returning to the university as a full-time professor.

"This decision is my own and reflects my own rumination about how best to be of service," Holloway wrote in a statement posted on the university's website.

—Associated Press

Rate Reduction Won't Solve The Housing Wealth Gap

By NICOLE FRIEDMAN

The U.S. housing market is sharply divided between those who own and would-be buyers who can't afford a home. The Federal Reserve's widely expected rate cut this week will do little to close the gap between the two.

A reduction in short-term interest rates would directly translate to lower rates for home-equity lines of credit, making it cheaper for millions of homeowners to tap in to their housing wealth.

On top of that, homeowners who bought in late 2023 or early 2024—when mortgage rates were higher—are taking advantage of the recent drop in borrowing costs.

The number of applications for mortgage refinancings in the week ended Sept. 6 was more than twice that of a year earlier, the Mortgage Bankers Association said.

For current home shoppers, mortgage rates have dropped from last year's highs but not enough to offset other challenges in the market. Home prices are near records, inventory is limited in much of the country, and rising costs for home insurance and property taxes add to the expense.

Potential buyers have been slow to take advantage of the recent decline in mortgage rates.

"Affordability still remains a problem," said Christine Cooper, chief U.S. economist at CoStar Group. "The price is high still."

The housing divide underscores the wealth gap between homeowners, who have benefited from several years of robust home-price appreciation, and renters, facing one of the least-affordable housing markets in decades.

Home prices have climbed more than 50% since 2019, helping homeowners build wealth. Homeowners with mortgages had \$17.5 trillion in equity in July, according to Intercontinental Exchange.

The 30-year fixed mortgage rate tumbled to 6.2% this month from a 23-year high of 7.79% last fall, according to Freddie Mac. That is in part because Fed officials are expected to reduce short-term rates by at least a quarter percentage point Wednesday, and investors expect additional cuts to follow.

David Cerutti, who bought a Tenafly, N.J., home in November at an 8.124% mortgage rate, refinanced this month to a 6.125% rate. He is using the savings to help pay down the principal on his mortgage.

"It was a significant decrease" in monthly payments, he said. "I feel fantastic."

But for non-homeowners, mortgage rates would have to fall below 5.25% for a mortgage payment on a median-priced home to be cheaper than rent, said Nick Villa, an economist at Moody's.

"If you've been a homeowner, since the pandemic you're loving it," Villa said. "If you were able to capitalize on that, you're very lucky. But if you weren't able to, and you started looking for a home in 2023, 2024, when rates are so high, you have a problem."

About 90% of homeowners with mortgages could borrow against some of the equity in their homes while keeping a cushion of 20% equity, according to ICE.

Total Heloc balances rose to \$380 billion in the second quarter, up nearly 12% from a year earlier, the Federal Reserve Bank of New York said.

"These people's loans keep getting paid down and paid down more, and these people's equity in their house keeps going up," said Steve Grossman, chief strategic officer at NJ Lenders.

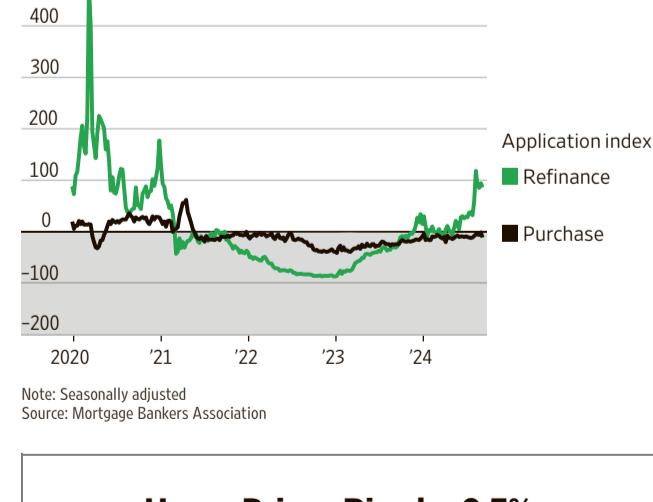
Many borrowers are using Helocs for debt consolidation, Grossman said. Credit-card balances rose in the second quarter to \$1.14 trillion, the highest level on record, according to the New York Fed.

Lenders say they expect Heloc demand to keep growing.

They moved to a rental and plan to keep saving.

"I got a good-paying job, I got a good credit score, I got money put off to the side—I feel like I did everything right," Eaton said. "Why isn't this working?"

Purchase-application index versus refinance-application index, change from a year earlier



Note: Seasonally adjusted
Source: Mortgage Bankers Association

Home Prices Rise by 0.5%

U.S. home prices grew 0.5% in August, the largest month-over-month increase since April, according to Redfin.

"Prices kept creeping up during this unusually slow summer for home sales as mortgage rates came down and supply remained stubbornly low," said Redfin. If mortgage rates come down further, price growth will likely pick up as more prospective homebuyers come off the sidelines.

—Chris Wack

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Prosecutor Fights for Love-Scam Victims

Erin West goes after 'pig butchering' fraud and despite long odds gets some funds back

By FELIZ SOLOMON

In 2022, an unusual case came across the desk of Erin West, a California prosecutor who specializes in cybercrime. The victim was a 30-year-old man who thought he had met his soul mate on a dating app until he realized he had been conned out of \$300,000. He was so ashamed that at times he was suicidal.

West and her investigative task force pulled off something of a miracle: They recovered about 70% of the man's money by tracing the funds to a wallet on a cryptocurrency exchange and then obtaining a warrant to freeze and seize it. It was the first time anyone was known to successfully claw back money stolen through a new type of fraud called "pig butchering," in which scammers build victims' trust and persuade them to invest in bogus schemes.

Word spread fast. West was inundated by calls and emails from others who had been swindled by online scammers. Some had gone to local police and were brushed off, West said. Others reported what happened to U.S. government authorities, but doing so never led anywhere, as far as they could tell. Some had never told anyone before, figuring it wasn't worth the embarrassment of admitting they had fallen for a love scam.

"There was a fire hose of victims," West recalled. "My inbox filled up with one tragic story after another."

That is how West became a magnet for victims of pig-butchering scams and law-enforcement officials who have been grappling with the problem. Independent researchers estimate that millions of people across the world have fallen victim to the scams, which siphon tens of billions of dollars to transnational crime syndicates each year.

The perfect crime

It works like this, investigators say: Gangs, run mainly by Chinese fugitives, set up criminal enclaves in places where law enforcement is weak, such as Myanmar, Cambodia and Laos. There they build industrial-scale compounds and fill them with people who sit at desks manning fake social media profiles.

The profiles often appear to belong to beautiful young women who are financially independent but lonely. They seduce people online, convince them they are in love and then get them to pour money into



Prosecutor Erin West in her office in California's Santa Clara County. Below, KK Park, a compound in Myanmar, is known for housing 'pig-butcher' operations.

bogus investments.

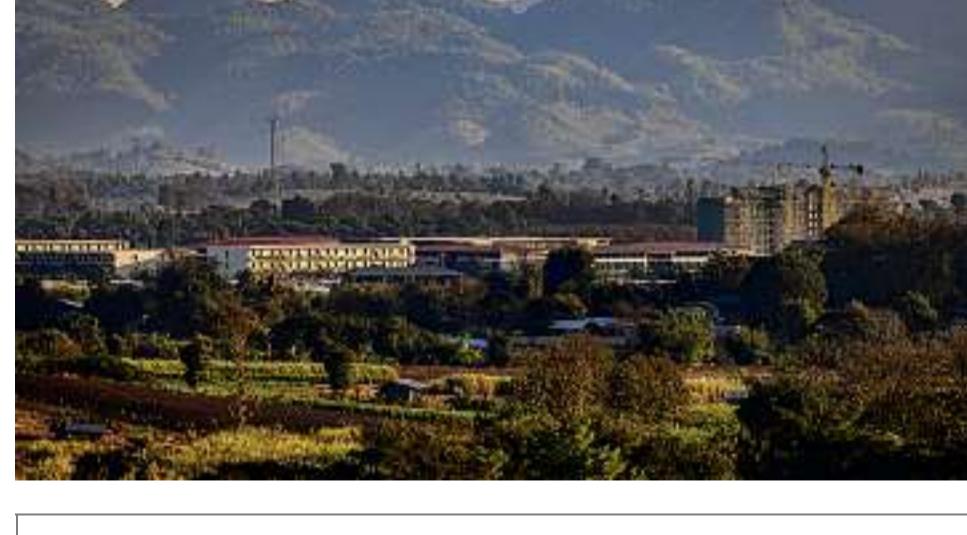
They are called pig-butcher scams because the swindlers "fatten" up their victims by building trust—over days, weeks, even months—then "butcher" them by taking the money and ghosting them. Some victims lose their life savings, families and even their will to live.

The scammers themselves are often also victims. The Wall Street Journal has reported how these gangs traffic people to the compounds and enslave them as fraudsters—a phenomenon the United Nations calls "forced criminality." The people are often job-seeking migrants lured by fake recruiters who promise them jobs in customer service or tech support. Upon arrival, they are picked up by traffickers who confiscate their passports and then are smuggled into compounds where they are threatened or tortured into compliance.

West didn't know all that when she took on the first case in 2022. But it didn't take long for her to realize the problem had spiraled out of control. She started organizing meetings across the U.S. to share her expertise, including talks at local libraries and online tutorials on how digital assets work.

West became the face of a nascent—some say quixotic—effort to stop the scams.

Often, the money moves too quickly through shell accounts to be frozen and becomes impossible to trace. Banks have brushed off responsibility because victims often willingly



About \$3 Million Retrieved by Acting Fast

Erin West and her team have clawed back some \$3 million stolen from 26 Americans—a tiny fraction of the billions of dollars the FBI says are swindled from U.S. citizens each year.

West's task force quickly learned that cases had to meet three criteria to have any chance of success. First, the transfers of money to

the scammers had to have occurred on crypto exchanges. Second, those exchanges had to be registered in the U.S., or cooperative with U.S. law enforcement. Third, the scam had to have been reported right away.

West knew from earlier crypto investigations that if she had the address of the wallet to which funds were

transferred she could use a commercially available blockchain tracing tool to see where it went. If it was on a U.S.-based exchange, she could get a warrant to freeze and seize it. But if even a day or two has passed, the cryptocurrency may have already been converted to another asset, meaning the blockchain trail goes cold.

make the transfers. The transnational nature of the problem has posed jurisdictional challenges, with the scammers typically beyond the reach of the law.

"The problem is that we're extremely inefficient and the

criminals are super efficient," said Silvija Krupena, director of financial intelligence at the consulting firm RedCompass Labs.

In 2016, West joined an elite investigative task force focused on cybercrime.

The Regional Enforcement Allied Computer Team based at the District Attorney's office in Santa Clara County, Calif., made a name for itself hunting down cybercriminals no one else could catch. West's first big case with the task force

was the takedown of a ring in 2019 that hacked strangers' phones and siphoned cryptocurrency from their accounts. React sent five people to prison in a case that made the group a national authority on probing crypto crimes.

'Behind the curve'

By 2022, U.S. authorities started noticing an uptick in online scams that followed pig-butcher patterns. The Federal Bureau of Investigation has urged victims to use an online internet crime complaint center, called IC3, to help collect data and build cases. It also set up another website to increase public awareness of crypto fraud.

But experts on law enforcement and transnational crime say the problem is too complex for any one nation or enforcement body to tackle alone. Because of media attention following their 2022 success, West and React became the first port of call for many victims.

"We are way behind the curve," West said of global efforts to address the crisis. "We are not organized, we do not have a plan. There has to be a strategy."

The FBI said that while authorities have prosecuted cybercrimes, criminals are continually adapting, and it will continue working with global partners to address threats. The IC3 website says that because of the massive number of cases, it can't respond directly to every complaint it receives.

Power Grid Is Taxed but Has Avoided Blackouts

By KATHERINE BLUNT AND JENNIFER HILLER

Extreme heat shattered temperature records and pushed electricity demand to new highs this summer. The U.S. power grid has held up, but in many places the margin for error is shrinking.

Across the U.S., a combination of new power sources and luck has helped grid operators avoid calling for rolling blackouts. States such as California and Texas that in recent years have bet big on renewable energy and battery storage easily met electricity demand, even as residents cranked their air conditioning.

Elsewhere, swaths of the country are more vulnerable. Grid operators are warning that the next few years will be difficult. New wind and solar farms are replacing conventional power plants, heightening the need for large-scale batteries and high-voltage power lines to transfer electricity between regions.

One of the closest calls came in August, when a Midwest operator sounded alarms during a hot spell. Power plants tripped offline as soaring temperatures stressed the units after weeks of heavy usage. The operator called on all remaining generators to prepare to run at full steam to prevent rolling blackouts, a last-resort means of keeping supply and demand balanced.



Solar panels were installed at the Phillips 66 Rodeo Renewable Energy Complex in California in July.

The scenario has become more common for the Midcontinent Independent System Operator, or MISO. Had temperatures climbed further, residents from Louisiana to Montana might have faced stretches without electricity.

Despite the success this summer, MISO says it faces challenges as its surplus supplies, or reserve margins, dwindle. The operator recently warned that it has to lean more heavily on emergency measures to maintain balance.

"An industrywide concern right now is how do we collectively deal with the reality of reduced or shrinking reserve margins," said Jessica Lucas, MISO's executive director of system operations.

nia in storage capacity.

As extreme heat blanketed much of the West this summer, regional power demand reached a record high of nearly 168,000 megawatts on July 10. Yet California, which has historically imported large amounts of electricity from other states during heat waves, had surplus to send elsewhere.

"We were actually in a position to reliably meet load inside California and export quite a bit of energy outside of California to other parts of the West that were really experiencing very, very extreme conditions," said Elliot Mainzer, chief executive of the California Independent System Operator.

Temperatures also surged in Texas, spurring electricity demand of 85,559 megawatts on Aug. 20, a likely record. The Electric Reliability Council of Texas has called for conservation several times in recent summers. This time, there was plenty of solar to meet peak demand around 4 to 5 p.m., and adequate wind power in the evening.

The Texas grid benefited this summer from the addition of solar and storage projects, as well as some new natural-gas generation, according to Ercot CEO Pablo Vegas.

"If there's a little bit of a shortfall or delay on the wind forecast, the batteries can fill in that gap and they've done a remarkable job of performing," Vegas said.

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U.S. NEWS

GOP Blocks IVF Bill Despite Trump Stance

BY LINDSAY WISE
AND LAURA KUSISTO

WASHINGTON—Senate Republicans blocked a bill that would provide legal protections for fertility treatments and mandate insurance coverage, despite GOP presidential nominee Donald Trump's recent pledge to force insurance companies or the government to pay for them.

Tuesday's vote was 51 in favor and 44 opposed, with Republicans Lisa Murkowski of Alaska and Susan Collins of Maine joining with Democrats in support. Sen. JD Vance (R., Ohio), Trump's running mate on the GOP ticket, didn't vote. Sixty votes were required to advance the bill under the Senate's filibuster rule.

The legislation would establish a federal right to access in vitro fertilization and other assisted reproductive technology.

It was the second time Senate Republicans voted to block the legislation, but the first time since Trump aired his proposal. Democrats broadly



Senate Democrats showed their support for in vitro fertilization at the Capitol on Tuesday.

of votes over the past few months to cast Republicans as not only against abortion rights but also opposed to contraception and in vitro fertilization. It is part of an election-year strategy to galvanize a pivotal group of swing voters: suburban women.

Republicans dismissed the efforts as "show votes" designed to give Democrats new fodder for the campaign trail and not serious attempts to make law.

"IVF is a wonderful option for many couples who struggle with fertility," said Sen. Steve Daines (R., Mont.), who also heads the Senate Republicans' campaign arm. He said Schumer is "desperate to find something here to vote on before the election."

In comments in Wisconsin, Vance said the Democrats "shoved through a vote today, knowing it would have no chance of passing, because they wanted to be able to say, 'We support IVF, and the other guys don't.'"

—*Siobhan Hughes, Natalie Andrews and Vivian Salama contributed to this article.*

support the expansion of reproductive rights, which includes access to IVF. Republicans have more intraparty disagreements on the issue, with many saying they support IVF but opposed the bill as expensive government overreach.

The Trump campaign didn't respond to a request for details of his IVF plan. Trump, who spent years trying to

overturn the Affordable Care Act and the insurance mandates that came with it, made the pledge on IVF coverage last month.

Senate Majority Leader Chuck Schumer (D., N.Y.) said IVF was the answer to his family's prayers when his grandchild was born. "Here's what we're asking our Republican friends," Schumer said at a press conference Tuesday.

"Do you support American families' access to in vitro fertilization or not?"

Sen. Patty Murray (D., Wash.) said if Trump's "promise to help families pay for it is more than just bluster, there is no reason we can't pass this bill into law and help a lot of people."

With the Democrats holding a 51-49 edge in the Senate, Schumer has held a series

JPMorgan In Talks On Card

Continued from Page One
base of Apple customers to whom it can pitch more financial products. Apple, meanwhile, needs to find a new home for its credit card, which has more than 12 million users, after Goldman decided to abandon its push into consumer finance.

Whenever a credit-card partnership changes hands, the bank offloading the program and the bank seeking to take it on generally have to agree to a transaction price for the existing card balances. With the Apple card program, Goldman holds the balances that will have to be sold. But JPMorgan and Apple also have to agree on terms and conditions, including the rewards program, offered to the consumers.

The team at JPMorgan negotiating the deal wants to pay less than the full face value of the roughly \$17 billion in outstanding balances in the Apple credit-card program, the people said. Credit-card portfolios often sell at par or for a premium to the total loans, while accounts that have high delinquencies or some other flaw can sell at a loss.

Apple's current program has both subprime exposure and terms associated with it that could be costly to take on for any issuer.

Allison Beer, chief executive of the credit-card and connected commerce business at Chase, has been leading the bank's efforts to put a value on the Apple program over the past few months, people familiar with the matter said. Senior executives at JPMorgan, including CEO Jamie Dimon, have been briefed on the continuing negotiations, they said.

Dimon has said tech companies are increasingly becoming competitors to his business, forcing the bank to stay nimble and consider new partnerships.

"The banking system is not static," Dimon wrote in his letter to shareholders this year. "There are startup banks, mergers, successful upstarts and fintech banks, and even Apple, which effectively acts as a bank." (Apple works with many banks on Apple Pay and other financial services that it offers to consumers.)

JPMorgan also wants to do away with key components of the card program, including Apple's requirement that all cardholders receive their statement at the beginning of the month, the people said. This unusual billing structure created customer-service issues



JPMorgan CEO Jamie Dimon

for Goldman and, in turn, contributed to regulatory scrutiny of the bank's consumer-lending business.

Goldman tried more than once to persuade Apple to change the billing date, according to people familiar with the matter. Apple has signaled that it is open to making this change for JPMorgan.

Goldman is actively dealing with several challenges as it works to exit from the consumer sector, including limiting its losses.

Last week, it disclosed that it expects to incur a roughly \$400 million pretax hit on the eventual sale of its General Motors' credit-card business and a smaller, unrelated business.

Barclays is negotiating a deal to buy the GM program, but the British bank has been unwilling to pay the price Goldman originally expected, in large part because of losses from highly delinquent borrowers, the Journal reported last week.

Goldman could be facing a bigger loss when it sells the Apple credit-card program to a new issuer.

The Consumer Financial Protection Bureau has also been investigating Goldman's credit-card practices. The probe, which Goldman disclosed in 2022, is focused on credit-card "account management practices," according to the bank, including how Goldman resolves billing errors and refunds cardholders.



Clockwise from above: a courtroom sketch of Sean 'Diddy' Combs with U.S. Magistrate Judge Robyn Tarnofsky in New York on Tuesday; Manhattan U.S. Attorney Damian Williams speaking about the charges against Combs; Homeland Security agents raiding a Miami home belonging to Combs in March.

Combs Sees Trafficking Charges

Continued from Page One
gray sweatpants, Combs sat stoically next to his lawyer Tuesday afternoon in court. He spoke only once, standing and adjusting the microphone be-

fore him to say "not guilty."

Combs's lawyer, Marc Agnifilo, said in court that the sexual acts alleged in the indictment involved consenting adults. "Is it sex trafficking? No, not if everybody wants to be there," Agnifilo said. "We are not better off if the federal government comes into our bedroom and that's what is happening here."

Agnifilo pushed for his release on a \$50 million bond and to be placed under home detention in his Miami prop-

erty. Months ago, the rapper had given his passport to his lawyer and was in the process of selling his plane.

He had also voluntarily flown to New York two weeks ago in anticipation that he would be arrested and charged, the lawyer said.

Combs was charged with racketeering, sex trafficking and transporting for prostitution, according to court records. He had run his enterprise from around 2008 until the indictment was filed, prosecutors said.

Prosecutors said Combs arranged, directed and recorded often dayslong sex events, called "freak offs." Combs would use the recordings as collateral to keep his victims silent, prosecutors said.

Combs, 54 years old, was a 1990s superstar who brought his brand of flashy hip-hop to the mainstream. He shepherded the careers of artists including the Notorious B.I.G. and Faith Evans through his record label, Bad Boy Records.

He turned his fame into a business empire, selling clothing, alcohol and cologne. Combs—who went by the names Puff Daddy, P. Diddy and later Diddy-faced numerous allegations and lawsuits that upended his career.

Combs, arrested in New York Monday evening, has been the subject of several lawsuits, with allegations including rape, sexual assault, physical abuse and forced drugging. Some of the lawsuits allege that incidents occurred decades ago.

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

Authorities searching his homes this year found three AR-15 rifles and more than 1,000 bottles of baby oil and lubricant, prosecutors said.

Combs's employees booked hotel rooms, stocked them for "freak offs" and helped him monitor victims, prosecutors said. If anyone threatened Combs's authority or reputation, he or his associates were

known to commit acts of violence including kidnapping and arson, prosecutors said.

Prosecutors said during "freak offs," Combs would hit, kick or drag victims by their hair. Sometimes they would be required to stay in hiding for several days to recover from these injuries. He tried to control his victims by promising career opportunities or threatening to withhold financial support, among other means, prosecutors said.

"Victims believed they could not refuse Combs' demands without risking their financial or job security or without repercussions in the form of physical or emotional abuse," prosecutors wrote.

Ahead of his arraignment, prosecutors said in a filing that during the course of the government's investigation, Combs repeatedly contacted witnesses and victims to feed them false narratives of events. In one instance, a Combs accomplice recorded a phone call during which the rapper repeatedly asked for a victim's support and friendship while trying to convince her that she willingly engaged in sex acts.

"Simply put, he is a serial abuser and a serial obstructor," Assistant U.S. Attorney Emily Johnson said during Combs's hearing in pushing for his detention. She said that when Combs was arrested Monday evening, investigators found bags with pink powder in his hotel room. Tests were still being run on the powder, Johnson said, but it appeared to be a narcotic that was similar to the drug ecstasy.

In November, Combs was sued by former girlfriend Cassandra "Cassie" Ventura, a singer. She accused him of physical and mental abuse spanning about a decade. The two settled the following day. About six months later, CNN released a 2016 video of Combs shoving and kicking Ventura in

a hotel hallway. Combs issued an apology, saying the footage caught him at "rock bottom."

During Tuesday's court appearance, Agnifilo, Combs's lawyer, said that the rapper and Ventura had been in a loving 10-year relationship that at times was mutually toxic.

Agnifilo said the sexual acts involving Combs, Ventura and other men were consensual. Ventura only claimed of being coerced after she tried to get Combs to pay \$30 million for the rights to a book she was writing about their relationship, Agnifilo said. When that failed, she filed a lawsuit last year, making for the first time the sexual-abuse allegations against Combs, according to the lawyer.

The lawsuit was later settled for a large sum, Agnifilo said.

A week after he settled with Ventura, Combs was accused of drugging and sexually assaulting Joi Dickerson-Neal in New York City in 1991.

A second, unnamed claimant alleged Combs forced her into having sex after a party and later physically attacked her at her home.

In February, producer Rodney "Lil Rod" Jones Jr. filed a suit accusing Combs of sexual harassment and other misconduct.

Combs has denied allegations against him. In a December social-media post, Combs said people were trying to destroy his reputation and that he "did not do any of the awful things being alleged."

Combs's businesses took a hit after the allegations. A New York charter school Combs helped create broke ties with him, and he stepped aside from Revolt, a television network he co-founded.

His star seemed to be waning even before the allegations. Macy's had begun phasing out his clothing line, Sean John. And he started a legal battle with liquor giant Diageo last year. The company then ties with Combs.

The superstar brought his brand of flashy hip-hop to the mainstream.

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U.S. NEWS

Major Probe Set After Close Call

Garland says DOJ to 'spare no resource' in its inquiry into assassination attempt

BY C. RYAN BARBER AND KATY STECH FEREK

Attorney General Merrick Garland said Tuesday the Justice Department would "spare no resource" in investigating Sunday's apparent assassination attempt on Donald Trump in Florida, with national-security prosecutors heavily involved in the criminal inquiry.

Garland's remarks suggest the Justice Department could pursue more serious charges than the two initial firearms violations the 58-year-old suspect, Ryan Wesley Routh, is facing following his arrest Sunday in South Florida.

Additional charges could present challenges for prosecutors since law-enforcement officials have said Routh never fired a shot or had Trump in his line of sight before a Secret Service agent spotted his rifle poking through the golf course fence and opened fire, sending him fleeing.

Law-enforcement officials on Tuesday were still trying to determine how Routh was able to obtain the SKS-style rifle that was found in bushes where he had been hiding near Trump's golf course. The rifle's serial number was obliterated, according to a criminal complaint, making it more difficult to trace. Phone records indicated that Routh was lingering in the area for nearly 12 hours before a Secret Service agent spotted him while surveying the course ahead of Trump.

The FBI was also still awaiting information from several companies it contacted about Routh's cellphones and social-media accounts, an official said. Investigators were poring over his significant online footprint, which included public posts indicating a fixation with Ukraine and that he had voted



Law enforcement, top, continued to investigate Tuesday the area where an apparent would-be assassin was found in West Palm Beach, Fla. Above, Attorney General Merrick Garland.

for Trump in 2016 before becoming a vocal critic, particularly over Trump's decision as president to withdraw the U.S. from the Iran nuclear deal.

The FBI is hoping the inquiries will shed light on Routh's motives as well as his movements in the hours and days before the incident. So far, in-

vestigators have gleaned little from Routh, who invoked his right to a lawyer during questioning.

In an initial court appear-

ance Monday, Routh said he had "zero funds" and was assigned a public defender.

A top FBI agent said the bureau was coordinating with the Secret Service to conduct numerous interviews of agents on the scene. In Charlotte, N.C., and Honolulu investigators had begun questioning several family members, friends and former colleagues of Routh's.

The FBI is investigating Sunday's apparent assassination attempt while it continues to examine the July 13 shooting at Trump's campaign rally in Butler, Pa., where a 20-year-old gunman was killed by a Secret Service sniper after opening fire on the former president.

The events underscore what law-enforcement officials have described as a heightened, unprecedented threat environment—one that may affect Trump's day-to-day routine. During a meeting with the former president Monday, the Secret Service's acting director, Ronald Rowe, told Trump that more planning and security would be needed for him to continue going on golf outings, according to people familiar with the discussion.

Rowe stressed that Trump's outing had been unplanned, saying he "wasn't even really supposed to go there."

Trump's running mate, Sen. JD Vance of Ohio, called Tuesday for the Secret Service to give the former president the same protection it provides President Biden. "Donald Trump ought to have the same detail as Joe Biden," Vance said.

Eight Republican senators echoed that call in a letter Tuesday to Rowe, saying the Republican nominee's detail needed more staffing.

Senate Majority Leader Chuck Schumer (D., N.Y.) and other top Democrats said they were open to passing a one-time cash infusion for the Secret Service.

—Sadie Gurman, Siobhan Hughes, Vivian Salama and Alex Leary contributed to this article.

Trump, Poland's President Plan Event

BY VIVIAN SALAMA AND KAROLINA JEZNACH

Donald Trump plans to appear in Pennsylvania on Sunday with Poland's president, Andrzej Duda, in a show of support from one of his staunchest foreign allies in one of the must-win states of the presidential election, according to American and Polish officials familiar with the planning.

Duda, who will be in the U.S. for next week's United Nations General Assembly, will join the Republican presidential nominee on the campaign trail for an event at the National Shrine of Our Lady of Czestochowa, a Polish-American Roman Catholic shrine near Doylestown, Pa.

Pennsylvania, a key battleground, is home to about 700,000 Polish-Americans, or about 5% of the state's population, according to the U.S. Census Bureau, and each of those votes could be critical to winning the November election.

Trump has hosted several conservative foreign leaders, including Hungarian Prime Minister Viktor Orbán and Israeli Prime Minister Benjamin Netanyahu, at his Florida resort. Duda's decision to join Trump on the campaign trail, however, goes against conventional practice by foreign leaders, who opt to stay away from campaigns to avoid alienating one side.

Duda and Trump have enjoyed a close relationship since the former president was in office, with Duda hosting a political-style rally in 2017 for Trump in central Warsaw, Poland's capital. Duda has been in office since 2015.

Duda's office didn't respond to a request for comment.

Campaigns Carrying On Despite Latest Incident

BY CATHERINE LUCEY AND ALEX LEARY

When Donald Trump was struck by a bullet at a rally in July, political ads came down, both parties spoke of unity and there was a presidential address from the Oval Office. The second time he was targeted by a gunman, the presidential campaigns largely stuck to business as usual.

After Sunday's episode in Florida, Trump thanked law enforcement before sending out fundraising appeals for a "Fear Not" coffee mug and blaming Democrats for what happened. Vice President Kamala Harris, the Democratic nominee, condemned political violence and said she was relieved Trump was uninjured. On Monday, she posted on social media: "50 Days. Let's make every moment count." Her campaign continued criticizing Trump's economic plans.

Trump and Harris returned to the campaign trail Tuesday, with Harris doing an interview with the National Association of Black Journalists in the afternoon in Philadelphia and Trump holding an evening town hall in Michigan.

Harris noted at the NABJ event that she had spoken with Trump earlier in the day. "I checked on him to see if he was OK," she said. "I told him what I have said publicly: There is no place for political violence in our country."

Asked if she had confidence in the Secret Service, Harris said "I do."

Trump and Harris remain closely locked in national and battleground state polls, and political strategists were skeptical that Sunday's incident would change the trajectory of the race. "It's just another chaotic day in a long series of chaotic days," said GOP pollster Whit Ayres. "I think this is going to be decided by events that haven't happened yet."

Democratic strategist David Axelrod said: "If past is prologue, this will fade in the face



Donald Trump is introduced for an event in Flint, Mich., on Tuesday.

of other breaking events."

After the July attempt, Trump's poll numbers rose as Republicans rallied to his side. Now there is less room for movement, as he has near-total support from Republicans—as Harris does from Democrats.

The latest violence unfurled just seven weeks before Election Day. Secret Service agents opened fire on a gunman at Trump's golf club in West Palm Beach, Fla., where the former president was golfing just a few holes away. Trump was unhurt, and the suspect fled but was arrested a short time later.

While Trump wasn't struck, the violent outburst harked back to July when a 20-year-old gunman tried to kill Trump during a rally in Butler, Pa., leaving him bloody and defiant on the stage, and solidifying his Republican support at the party convention in the following days.

In interviews and on social media, Trump argued that political rhetoric from Harris and President Biden was to blame for Sunday's attempted attack. "He believed the rhetoric of Biden and Harris, and he acted on it," Trump told Fox News. "Their rhetoric is causing me to be shot at."

But in Michigan Tuesday night, Trump seemed to suggest that the attempted assassinations came because other

nations were upset at his trade policy and his proposed tariffs on foreign-made cars. "I'm putting a 200% tariff on, which means they are unsellable, unsellable in the United States," he said. "And then you wonder why I get shot at. You know, only consequential presidents get shot at."

Authorities haven't yet determined a motive in Sunday's event, as suspected gunman Ryan Routh had a mixed political history. They also are still trying to understand the actions of the earlier attacker, a 20-year-old who searched online for information about Trump and Biden.

Trump has made no apologies for his own harsh and violent rhetoric, including saying that Democrats hate America and will destroy the country. He has threatened political opponents with retribution, including jail, and 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. In recent days he and his running mate, Ohio Sen. JD Vance, have repeated false claims about immigrants in an Ohio town eating pets, leading to bomb threats and other tumult in the small community.

—Natalie Andrews contributed to this article.



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WORLD NEWS

Netanyahu Allies Want New Defense Chief

Ousting Gallant would remove an advocate of U.S. foreign policy

BY ANAT PELED
AND CARRIE KELLER-LYNN

TEL AVIV—Israeli Prime Minister Benjamin Netanyahu's political allies vigorously made the case for him to replace his defense minister amid bitter disagreement over the war in Gaza, a move that would deepen the divide between the leader and his security establishment and remove the government's main advocate of a tighter relationship with the U.S.

Removing Defense Minister Yoav Gallant, who has publicly clashed with Netanyahu for months, would have wide-

ranging impacts on the country's multifront war and U.S. efforts to end it. He has been the anchor of the relationship with the U.S. and the most vocal advocate of the Biden administration's foreign-policy goal that Israel should reach a cease-fire deal in exchange for hostages still held in Gaza.

As tension has grown between the U.S. and Netanyahu over the prime minister's failure to reach a deal, Pentagon announcements show Gallant has spoken nearly 70 times with U.S. Defense Secretary Lloyd Austin by phone and several more times in person in the 11 months of the war.

His firing would also further estrange Netanyahu from the military's leadership, which says the prime minister's promise of total victory over Hamas is unachievable and wants a pause in Gaza for



Defense Minister Yoav Gallant, center, toured Rafah last month.

are at stake."

Amid the calls to fire Gallant, the Shin Bet, Israel's internal security service, said Tuesday that it had thwarted a bombing attack by Hezbollah targeting a former senior official in Israel's security establishment. The agency said the attack had been expected to be carried out in the coming days. It said an explosive it discovered was similar to one found in September 2023, also intended to target a senior Israeli official.

Relations between Netanyahu and Gallant have been poor for months, with the men barely on speaking terms outside of the security forum, according to people familiar with the matter. Gallant, a member of Netanyahu's Likud party, has criticized the prime minister in meetings, parliamentary appearances and

even news conferences.

As the disagreements come to a head, the prime minister's supporters and right-wing partners are publicly calling for Gallant's dismissal. On Tuesday, Energy Minister Eli Cohen told Army Radio that Netanyahu and Gallant had a crisis of trust and that it would be appropriate to put in a defense chief who could work with the prime minister.

The prime minister's office on Monday denied local media reports that talks to replace Gallant were under way. Gallant's office didn't respond to a request for comment.

Gallant has criticized Netanyahu for failing to establish a plan for postwar Gaza, which the defense minister said is undermining Israel's military achievements and could force Israel to occupy the Strip again.

Exploding Pagers Kill Eight People

Continued from Page One

Iran is the main supporter of Hezbollah, a U.S.-designated terrorist group that has grown into one of the world's best-armed nonstate militias.

The apparent attack comes amid growing concerns that tensions along the Lebanese border are in danger of escalating, as the daily exchange of cross-border fire grows in intensity and efforts to strike a deal to pause the fighting in Gaza fail to bear fruit.

Israel's government is under increasing pressure to return tens of thousands of evacuees to their homes in the north by silencing Hezbollah's rockets and drones. Defense Minister Yoav Gallant said on Monday that dimming pros-

pects for diplomacy were leaving military action as the only alternative.

Hezbollah nodded to what it called threatening speeches and comments from Israel and said its forces were at the highest level of readiness to defend Lebanon.

Awareness that something unprecedented had happened spread quickly across Lebanon and the region, as social-media chatter about exploding pagers and bloody videos of the aftermath built to a crescendo.

Ambulances soon wailed through the streets of central Beirut, and hundreds of people gathered outside emergency rooms at hospitals across the city, where people with some of the most severe injuries were sent from around the country. At the American University of Beirut Medical Center, ambulances pulled up every few minutes for several hours along with black sport-utility vehicles with tinted windows.

An off-duty soldier said he was with a friend in a car in a suburb in southern Beirut. His

friend stopped to enter a shop, and as he stepped out his pager blew up, injuring him. The soldier was waiting for news outside a hospital in Beirut along with hundreds who had gathered to check on loved ones but were prevented from entering.

Bassem Badran, who went to college in Illinois and now works in education in Beirut, waited outside the American University Hospital emergency room, where one of his friends was in critical condition and two others were being treated for lesser wounds. The friend with the worst injuries had been shopping in a supermarket when his pager exploded, blowing off his hand.

Badran said many of those who carry pagers aren't militants in the traditional sense but rather working profes-

als who one might not know are Hezbollah members. "But when there is a situation they believe in defending their village and their country," he said.

Randa Slim, director of the Conflict Resolution and Track II Dialogues Program at the Middle East Institute, a think tank in Washington, D.C., said the attack against Hezbollah operatives is historic in its scope and manner, one that took significant planning and preparation.

"It sends a significant message to Hezbollah leadership that, 'We can get you anywhere,'" Slim said. "And it very much affects morale."

The number of casualties was rising too quickly to count through the afternoon. Hezbollah seemed overwhelmed trying to keep up, and hospitals across the country struggled to treat the injured.

Lebanese Health Minister Firas Abiad told the BBC that exploding pagers across the country injured nearly 2,800 people and killed nine, including a child. The government said about 200 people were in critical condition.

He said the number of emergency-room admissions in southern Lebanon, a Hezbollah stronghold, was extremely high. Wounds included severed fingers, head injuries and large gashes to people's torsos.

The explosions looked like the type of operation conducted by Israel's intelligence agency, said Ronen Solomon, an independent intelligence analyst.

Hezbollah acknowledged the vulnerability of its communication networks earlier in the war. In February, the group's leader, Hassan Nasrallah, urged its fighters to get rid of their smartphones, saying Israel could use them for surveillance or targeting.

The attack comes amid growing tension along Leba-

non's border with Israel.

On Tuesday, Israel's internal security service Shin Bet said it had thwarted a bombing attack by Hezbollah targeting a former senior official in Israel's security establishment. Hezbollah hasn't commented on the allegation.

Badran, who was waiting outside the American University Hospital, said he was still absorbing the shock of what had happened.

"It wasn't one incident or a few incidents or in one geographic area but all over Lebanon," he said, adding that he feared what might come next. "Lebanon is in the midst of it. This will not help. It's adding to the fuel."

—Rory Jones
and Omar Abdel-Baqui
contributed to this article.

Hezbollah has said that its communication networks were vulnerable.

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WORLD NEWS



JOVELLE TAMAYO FOR WSJ

Ricki Mudd, who now lives in SeaTac, Wash., says she was lucky to get all the love and support from her adoptive parents.

'Missing Girls': China Tore Up Families With One-Child Policy

Adoption program, now ended, created a perception of female inferiority

By LIYAN QI

Ricki Mudd was born in 1993 in China during the one-child-policy era. She remembers her early childhood only in fragments, but has been told she had spent some of it hidden in a bag.

At age 5, she was adopted from a Chinese orphanage, one of the more than 150,000 children China sent overseas. Most were girls. In the West, they were one of the most visible consequences of the one-child policy, which ended in 2016. This month, Beijing put an end to foreign adoptions.

China is grappling with a demographic crisis, with dropping birthrates and a rapidly aging population. The policies to control the population have given way to new ones in the opposite direction. But a legacy of the one-child policy is a dearth of women of childbearing age.

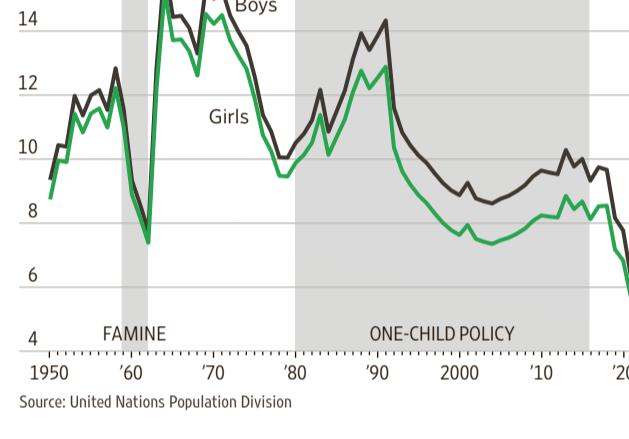
Because of a government decree that led to forced abortions and sterilizations, millions of girls were never born or were hidden from authorities. In the process, China's gender ratio became increasingly skewed, with 117 boys born for every 100 girls in 2004, compared with 106 in 1980, United Nations data showed.

A U.N. Population Fund study based on China's 2010 census estimates the country's "missing girls," or females who in regular circumstances would have been born but who were absent from the population, at 24 million.

The girls sent overseas constitute a small part of that void and many embody the impossible choice for many families.

International adoptions had declined in recent years and came to a virtual halt in the pandemic. In the two decades before that, American families adopted more than 80,000 Chinese children, U.S. State Department data show. More than 80% were girls.

Newborns in China by gender



As Chinese girls became part of American life, the perception was that they had escaped a society where girls weren't valued.

"I did have some inkling that women were considered inferior in China," said Mudd.

That there was more to her own story became clear after her birth parents tracked down her adoptive family's address and she went to China to meet them.

There, at age 12, she learned that her birth had put the family in a bind. Her mother's side of the family wanted to keep her, but her father's mother, her *nainai*, argued they should save their birth quota for a son. It was an attitude especially common in rural China, where sons are seen as carrying on the bloodline.

In "Ricki's Promise," a 2014 documentary by Changfu Chang, a professor at Millersville University in Pennsylvania, Mudd described how her parents kept her hidden from authorities, carrying her in a grocery bag on the rare occasions they took her out. They put her in a foster family when she was 3, but after local officials discovered her existence, she was sent to an orphanage. Her father tried in vain to get her back. Two years later, she flew to Seattle with her new parents.

By the time Mudd met her birth parents, they were divorced, unable to overcome the rift that had developed between the two sides of the family over her fate.

Mudd was moved when her maternal grandfather burst into tears when he saw her. "He must have been really worried about me," she said. "He really loved me."

She bonded with her younger brother, born two years after her, over karaoke, together belting out the popular song "I Love You Like the Mice Love Rice."

On a second trip to China, when she was 18, her parents apologized to her for giving her up. She finally met her *nainai*, who cooked her a meal. Mudd was upset when her brother said their parents loved her more than him. She told him they were just feeling guilty. At the end of the visit, she told her birth mother to treat him better.

Her birth parents declined to be interviewed.

In the 1990s, a decade after the launch of the one-child policy, family-planning officials started more severe crackdowns, including on informal arrangements in which baby girls were raised by parents' relatives or neighbors. That sent many children to state orphanages and opened the door to international adoption.

"The [Chinese] government at no point wanted to send a lot of babies abroad for foreign adoptions," said Martin Whyte, a sociology professor emeritus at Harvard University. "But it was a particular

consequence of their very coercive enforcement of the one-child policy combined with the existing customs in rural villages." Whyte and his wife were among the first Americans who adopted girls from China in the early 1990s.

China's Center for Children's Welfare and Adoption, an agency under the Ministry of Civil Affairs handling overseas adoption, didn't respond to a request for comment.

Most of the adoptions were handled out of the U.S. Consulate in Guangzhou, where one hotel, the White Swan, was so regularly filled with American parents getting to know their new children that it became informally known as the White Stork.

Only 16 Chinese children were adopted by American families in the year ended September 2023. After announcing the end of international adoptions, Chinese officials told U.S. diplomats in China that the policy applies to all pending adoption applications as well, according to a State Department spokesperson.

Very few adoptees have reconnected with their biological parents. Orphanages often have moved or closed. Records are frequently incomplete and inconsistent.

A few years ago, Mudd, now a manager at a tech firm, arranged for her younger brother to stay with her adoptive parents and study in the U.S. He has since returned to China and is now working in e-commerce.

"I think he looks at me as the one with a lot of the privileges because American culture is a lot less prescriptive about how you go about your life than I feel Chinese culture is," she said.

She said she was lucky because she got all the love and support she needed from her adoptive parents.

Orphanages still exist in China, mostly populated by children with medical issues. "I'm worried about the many special-needs children in orphanages, given the lack of resources devoted to them in a Chinese society," said Chang, the filmmaker.

GERMANY Economic Outlook Sharply Worsens

German economic sentiment worsened unexpectedly sharply this month, another signal of weakness in Europe's largest economy as optimism continues to dwindle.

The closely watched ZEW Indicator of Economic Sentiment, which tracks analysts' expectations for the economy in the next six months, fell 15.6 points on month to 3.6 in September, far below expectations of 15.5 from a forecast of economists polled by The Wall Street Journal.

The figures indicate that analysts are now evenly balanced between optimists and pessimists, ZEW President Achim Wambach said.

ZEW's separate indicator of the current situation of the economy also tumbled, said Robin Winkler, Deutsche Bank's chief economist for Germany.

—Ed Frankl

SOUTHERN AFRICA Zimbabwe, Namibia To Kill Elephants

Zimbabwe and Namibia said they plan to slaughter hundreds of wild elephants and other animals to feed hunger-stricken residents amid severe drought conditions in the southern African countries.

Zimbabwe said it would allow the killing of 200 elephants so their meat could be distributed among needy communities, while in Namibia, the killing of more than 700 wild animals—including 83 elephants—is under way as part of a plan announced three weeks ago.

Tinashe Farawo, a spokesman for the Zimbabwe National Parks and Wildlife Management Authority, said permits would be issued in needy communities to hunt elephants and that the agency also would kill some of the overall allotment of 200 animals.

—Associated Press

ALGERIA President Sworn In For a Second Term

President Abdelmadjid Tebboune was sworn in on Tuesday for a second term after being elected in a landslide vote marred by apathy and questions around the vote count.

The ceremony to inaugurate Tebboune's second five-year term took place at the People's Palace, in Club-des-Pins, a seaside resort on the west coast of the capital, Algiers. Tebboune's two challengers, Islamist Abdellali Hassan Cherif and Socialist Youcef Aouchiche, attended the ceremony that came three days after Algeria's constitutional court certified Tebboune's landslide victory in the Sept. 7 elections.

With 7.7 million votes, the incumbent won 84.3% of the vote, surpassing his 2019 win by millions of votes and a double-digit margin.

—Associated Press

Russia's RT Barred From Meta's Apps

By SAM SCHECHNER

Facebook owner Meta Platforms is kicking Russian TV channel RT off its apps, depriving the Kremlin-backed media outlet of one of its biggest remaining distribution platforms in the West.

The U.S. government days earlier announced sanctions against the state-owned channel and its related entities, accusing them of covert influence operations meant to interfere in elections, including recently in Moldova.

Meta accused RT and its affiliated channels of "foreign interference activity," and said Russia attempts to use social media to covertly manipulate public opinion.

RT's pages on Facebook and Instagram were inaccessible from the U.S. early Tuesday. Cached versions on the Google search engine showed more than 7.3 million and 1.1 million followers, respectively. Meta also banned Russian media outlet Rossiya Segodnya, which owns the RIA Novosti news wire and the Sputnik website.

RT described the ban as censorship. "It's cute how there's a competition in the West—who can try to spank RT the hardest," it said. Rossiya Segodnya didn't respond to a

request for comment.

The Kremlin said the ban discredits Meta and would only complicate the prospects of Moscow's normalizing relations with the company.

"Such selective actions against Russian media are unacceptable," Kremlin spokesman Dmitry Peskov said Tuesday, the state news agency TASS reported.

Earlier this month, the U.S. said it had charged two Russian nationals employed by RT with conspiring to send nearly \$10 million to a U.S.-based online media company to inject hidden Russian government messaging.

The Biden administration has accused the Kremlin of seeking to influence the U.S. presidential election with covert propaganda and disinformation.

A crackdown on Kremlin media outlets began shortly after Russia's 2022 invasion of Ukraine. TV distributors such as DirecTV and Roku removed RT from their lineups. In Europe, officials imposed sanctions that cut off RT channels. Those measures have since forced social-media companies to block access to RT's social-media accounts from Europe.

—Ann Simmons contributed to this article.

Al Qaeda Militants Hit Air Base in Mali Capital

BY BENOIT FAUCON AND MICHAEL M. PHILLIPS

Al Qaeda militants attacked security forces in Bamako, Mali, on Tuesday, their first foray in years into the capital of a West African country already reeling from insurgent violence in rural areas.

The militants hit an air base that hosts most of the country's military aircraft and a contingent of Russian mercenaries that Mali's military government hired to help secure the country, current and former European security officials said. The militants also attacked a training school for gendarmes, Mali's security ministry said.

An al Qaeda umbrella group, Jama'a Nusrat ul-Islam wa al-Muslimin, known as JNIM, claimed responsibility for the attack, saying it had caused "huge losses in lives and equipment and the destruction of a number of warplanes."

The attacks prompted authorities to temporarily shut the country's main civilian airport, the transport ministry said. The army chief of staff, Gen. Oumar Diarra, appeared in video footage from the scene of one attack, standing near dozens of apparent prisoners. Footage also showed dead militants and heavy machine guns the army said it had seized.

"The situation is under control," the general said.

A former European security official in contact with the Malian army said the attack had left an unspecified number of people wounded, but

hadn't caused any deaths among Malian forces or civilians. Those reports couldn't be independently verified.

The brazen attacks in the capital and elsewhere in southern Mali suggest "the militant insurgency retains momentum, despite the junta's claims that the situation is stabilizing," said Joe Siegle, research director at the Pentagon-funded Africa Center for Strategic Studies.

Islamist militants were involved in 547 violent incidents in Mali during the first half of 2024, which stretch across a semi-desert expanse of West Africa called the Sahel, are at the epicenter of an uprising by armed groups affiliated with al Qaeda and Islamic State. Extremist violence in the three countries has left some 38,000 people dead since 2017.

Civilian governments struggled to contain the insurgents, prompting military officers in all three countries to seize power in coups starting in 2020. The military juntas were shunned by the West and reacted by evicting French, U.S. and other Western troops that had been helping fight al Qaeda and Islamic State. Just over a year ago, the U.S. had 1,100 troops and a \$110 million drone base in Niger. The last of those forces left this month.

Mali, Burkina Faso and Niger, which stretch across a semi-desert expanse of West Africa called the Sahel, are at the epicenter of an up-

WORLDWATCH



TRUNK SHOW: Indian devotees in Mumbai carry an idol of the elephant-headed Hindu god Lord Ganesha for an immersion in the Arabian Sea as part of the Ganesh Chaturthi festival.

DVYAKANT SOLANKI/FEARSHUTTERSTOCK

FROM PAGE ONE

Candidates' Plans Add To Debt

Continued from Page One
overtime pay, lower tax rates for companies that manufacture in the U.S., and create a new deduction for new parents' expenses, offering more than \$2 trillion in tax cuts atop \$4 trillion to extend his first-term tax cuts.

Harris matched Trump's tips idea and called for an expanded child tax credit, including \$6,000 for parents of newborns.

How did the U.S. fiscal path simultaneously become economically more alarming yet politically less relevant? Federal debt and deficits have blown past various imagined red lines and feared consequences have not materialized. Interest rates, at least until 2022, stayed low. The dollar remains the world's reserve currency, giving the U.S. far more running room than other major countries. The U.S. of 2024 is not Greece of 2007. There is risk, but there is no fiscal crisis.

"We've learned we borrowed more than we realized we could," said Jason Furman, a Harvard economist who was a top aide to President Barack Obama. "And we've actually borrowed more than we expected."

If anything, borrowing kept the economy afloat during the 2007-09 financial crisis and pandemic, and lawmakers were rewarded for it. Polls show the public is concerned about the deficit, but they also prefer politicians who dangle tax cuts, stimulus checks and money for the military.

"No president in history, Republican or Democrat, gets a gold star or a Nobel Prize for reining in spending, the deficits and our debt," said Rep. Jodey Arrington (R., Texas), chairman of the House Budget Committee. "Nobody gets the golden meat cleaver award."

Whoever wins in November will soon face two big fiscal tests. One is the need to raise the federal debt limit, likely in mid-2025. In both 2011 and 2023, the threat of default without a debt-limit increase led to compromises that reduced red ink. The other trigger is the looming expiration of much of the 2017 tax law. If Congress doesn't act by the end of 2025, taxes would rise on most households, a path to deficit reduction that both parties say they don't want.

The records

When he first ran for president in 2016, Trump said he would pay off the national debt within eight years. He went in the opposite direction: Debt rose from less than \$15 trillion to more than \$21 trillion by the time he left office.

While some of that was due to pre-existing trends and the pandemic, Trump made two major decisions that broke with Republicans in Congress and drove up federal borrowing.

Republicans had long advocated making Social Security and Medicare less generous and more fiscally sustainable.

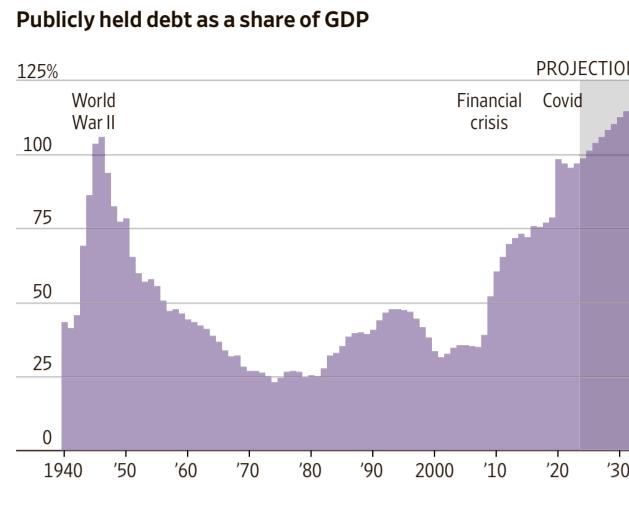
A Second Chance At Love

Continued from Page One
average in four years, according to the network, drawing more than 10 million viewers per episode across platforms.

It's now Vassos' turn to try her hand at love.

What do we know about her possible choices of men? For one thing, the men, ages 57 to 69, weren't satisfied with the condition of the Bachelor Mansion appliances, producers said, and began fixing things such as the washing machine and the hot tub as soon as they moved in. (By contrast, "the women of 'Golden Bachelor' seemed perfectly content with the mansion, lukewarm hot tub be damned," executive producers Bennett Graebner and Claire Freeland said in an email.)

The producers also describe the men as emotionally open and vulnerable. They pointed to an on-camera moment where one opened up to another con-



How proposals by Kamala Harris and Donald Trump could affect deficits over 10 years

Fiscal outlook under Harris, select proposals...



To appeal to middle-class voters, Trump embraced what had long been a Democratic position and shut down discussion of broad benefit cuts.

Then in 2017, when House Republicans sought to cut tax rates, Trump resisted their attempts to offset the full cost. The Tax Cuts and Jobs Act

Trump eventually signed into law was projected then to increase deficits by \$1.5 trillion over a decade.

Once the pandemic started, Trump joined the broad economic consensus that the U.S. needed to pour money into the economy, eventually adding more than \$3 trillion to the debt to provide stimulus checks, enhanced jobless benefits and other relief.

President Biden and Harris expanded on Trump's pandemic spending with the \$1.9 trillion American Rescue Plan,

which included another round of stimulus checks and aid to state and local governments.

Their core domestic legislation—the Inflation Reduction Act of 2022, which required Harris' tiebreaking vote—was originally estimated to reduce budget deficits. But the projected reduction has shrunk or disappeared altogether as estimates of key tax credits, including breaks for electric vehicles, have risen.

Biden, with Harris's strong backing, canceled student debt in a series of executive orders that could cost the government more than \$1 trillion, according to the Committee for a Responsible

sible Federal Budget. The plan is now stuck in litigation as courts have curtailed Biden's authority to cancel debt.

"I don't think we've seen a president spend nearly as much without Congress as Biden," said Marc Goldwein, the CRFB's senior vice president.

Still, something important has changed for the fiscal outlook since the pandemic and the Democratic legislation: Inflation and interest rates have risen, and that creates a more dangerous dynamic going forward.

Trump plans

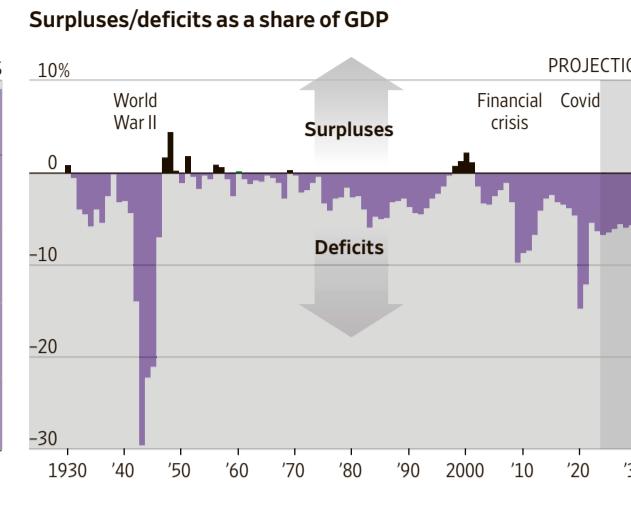
What happens if Trump wins depends on Congress. If Republicans also control the House and Senate, his next term could look a lot like his first—occasional talk about debt and deficits paired with tax cuts that expand both.

"There's nothing that Republicans I think will be able to cut under Trump in a meaningful way," said Don Schneider, a former House GOP aide now at investment bank Piper Sandler.

In his acceptance speech at the Republican National Convention, Trump said, "We'll start paying off debt and start lowering taxes even further."

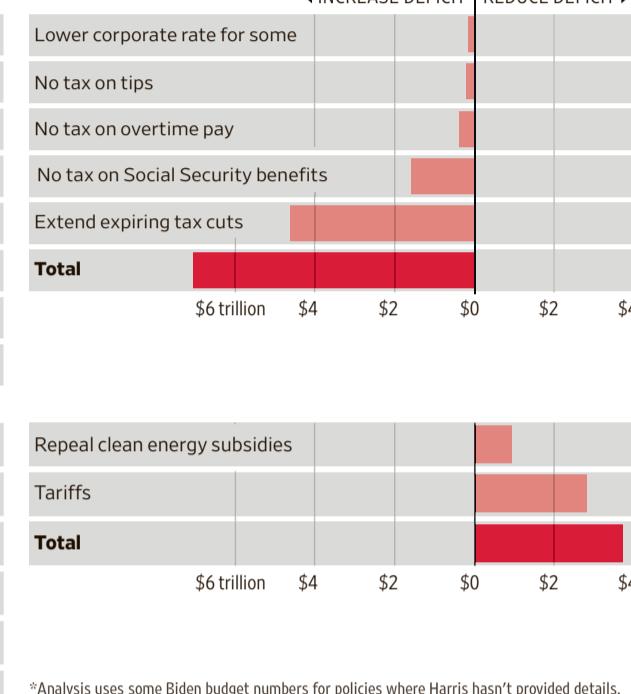
Nonpartisan experts say there's virtually no chance of that. Paying off debt would require the U.S. to shift from massive deficits to surpluses.

Tax cuts would work in the opposite direction. Low tax rates



How proposals by Kamala Harris and Donald Trump could affect deficits over 10 years

...and under Trump, select proposals†



*Analysis uses some Biden budget numbers for policies where Harris hasn't provided details.

†Analysis doesn't include missile defense and mass deportation programs. Lower end of range shown for overtime proposal, which Tax Foundation estimates could be \$1.1 trillion or more, depending on details.

Sources: Office of Management and Budget (share of GDP); Congressional Budget Office (projections); Piper Sandler analysis of campaign proposals (fiscal outlooks); Harris campaign (medical debt); Tax Foundation (Trump overtime tax)

can encourage growth and generate some revenue, but not enough to offset the loss of revenue, economists in both parties acknowledge.

Trump has indicated that he wants to extend the pieces of his 2017 tax law that expire after 2025 and lower the 21%

corporate tax rate to 20%, and 15% for some companies. His recent proposals—eliminating taxes on workers' tips, overtime pay and retirees' Social Security benefits—dig a deeper hole. He's also made other proposals that would entail significant new spending, including a mass deportation program and a domestic missile-defense system.

In Congress, Republicans are still debating whether to extend all of the tax cuts and whether to pair them with spending cuts or tax increases.

If Democrats hold the House or Senate, they might object to extending all of Trump's cuts.

A full extension would produce a \$4.6 trillion increase in the debt in a manner that is heavily biased towards big corporations and very high income and high net worth individuals,

said Sen. Sheldon Whitehouse (D., R.I.), chairman of the Senate Budget Committee.

Trump has touted several ideas that could reduce deficits. One is impoundment, in which the president refuses to spend money Congress has appropriated. That's legally and constitutionally dubious.

The other is tariffs. Trump wants to impose a tariff of 10%

to 20% on all imported goods and even higher on Chinese products. That could raise about \$2.8 trillion over a decade, according to the Tax Policy Center.

House Republicans have proposed capping federal spending growth at a level lower than inflation, though the party is split and some want significant increases in the defense budget.

Arrington, who is helping cobble together Republicans' agenda if they have full control of Congress, said they need to tackle spending and entitlement programs and hopes Trump, despite his statements to the contrary, could be open to that. "We have an opportunity to live up to what we claim we believe when we campaign and why almost every Republican member was sent here to Congress by their constituents," he said.

Arrington said he's also open to a bigger deal with Democrats that would have higher taxes and lower spending on the table.

Harris plans

Harris has called for reviving and expanding the child tax credit that was in place during 2021 and for implementing new subsidies for first-time home buyers.

She also largely endorsed Biden's last budget, which calls for \$3 trillion in deficit reduction over the next decade. But that plan comes with

two big asterisks.

First, while the budget would raise taxes on the rich and corporations, the revenue isn't enough to deliver the claimed deficit reduction, pay for Harris' child tax credit and home-buyer subsidy proposals, and cover the Biden-Harris proposals to extend expiring cuts to prevent tax increases on households earning less than \$400,000.

Second, the chances Congress would agree to such a plan are slim, even in the unlikely event Democrats control both the House and Senate. Biden couldn't get centrist Democratic senators to pass his tax increases in 2022. Harris could face similar opposition and already dialed back Biden's proposed capital-gains tax increase.

"Unfortunately, we have not been able to make the adequate changes to the tax code that we would like to have made," said Sen. Whitehouse. "We can do better, and if voters give us a Democratic majority I think we will do better."

Biden officials see next year's tax debate as a crucial pivot point, and the White House has said any extension of expiring tax cuts should be paired with tax increases.

"2025 is definitely the big kind of near-term moment where we could either make things better on the fiscal outlook or make things worse," said Daniel Hornung, deputy director of the National Economic Council.

Biden has proposed some Medicare savings through prescription drug pricing and has called for shoring up Social Security, which is paying out more in benefits than it collects in taxes. But the parties are at odds over whether Social Security taxes and benefits should increase, and that gridlock means the program likely won't be addressed for about a decade, when its trust fund is projected to be exhausted, triggering benefit cuts.

The path ahead

Not including interest, the U.S. government will spend \$1.21 for every \$1.00 it collects in revenue this year. Add interest and that climbs to \$1.39.

Voters often support balanced budgets in theory, but they also like the low taxes and higher spending of the past few decades. At least at some level, they prefer getting government at a discount. And politicians know that the reward for fiscal discipline can just be giving their successors more room to run up deficits.

At some point, maybe, the U.S. will find it difficult to borrow. At some point, interest costs may constrain policymakers. At some point, bond investors may look at the U.S. political system and decide there's a real risk they won't get paid back—then begin demanding higher interest rates.

For now, there's little reason to expect a dramatic change in direction as a result of this fall's election.

"It's going to be a 2029, 2030 exercise," said Schneider of Piper Sandler.

Watch a Video

Scan this code for a video on the gap in Harris and Trump tax plans.



Joan Vassos, a school administrator from Maryland, is the star of 'The Golden Bachelorette.'

she told the men she didn't expect that of them either.

With her turn in the hot seat, expect fewer death-defying stunts—she said she requested no skydiving or bungee jumping, both classic Bachelorate ideas. Producers also brought in a masseuse for the men after a physically strenuous group date.

She's looking forward to watching the men's introductions on night one again, since at the time she was so occupied with remembering names and sending people home that she couldn't properly enjoy the night. But rejecting men week after week, especially as she got to know them better, was even more difficult than she anticipated. "I lost sleep the night before every weekly process of figuring out who to eliminate," she said.

Still, she said, like the women of "Golden Bachelor," the men handled rejection with the perspective decades of life experience brings.

"You still go home to really full lives," Vassos said.

"At this age, we have a lot. We have big careers, we have families, and we even have grandchildren. So we go home to a lot."

friends set her up on some dates and even turned to Match.com—though one match ended up strange.

"We were going to meet at the bar and have a drink," Vassos recalled. "I came in, I looked around, I'm like, 'Nope, he's not here.' So I ordered a glass of wine, and then I see a guy from across the restaurant waving at me. And then I realized it's the guy that was on Match. He did not look at all

like his photo."

Vassos went into her season feeling optimistic, though she admitted to having trepidation in the early stages of "The Golden Bachelor."

"I was a little worried that maybe we were going to look foolish or look like old people trying to date, and that it may be uncomfortable to people watching, or maybe even funny to them," Vassos said. "After just a few days, I saw what it

was really about, that it was really genuine. They wanted this to be a show that gave hope to people out there who are in their 60s and 70s, who still have that want or need. It's OK to go out and look, and it doesn't look stupid. It looks natural."

She's willing to be flexible about where she and her Prince Charming live. Though she doesn't want to permanently move far away from her family,

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Wednesday, September 18, 2024 | A9

FAMILY
& TECHJULIE
JARGON

Instagram is placing teens in a protective bubble. Starting this week, it will begin automatically making youth accounts private, with the most restrictive settings. And younger teens won't be able to get around it by changing settings or creating adult accounts with fake birth dates.

Account restrictions for teens include direct messaging only with people they follow or are already connected to, a reduction in adult-oriented content, automatic muting during nighttime hours and more.

Building on changes to teen accounts it announced earlier this year—and following years of criticism about child safety—the Meta Platforms-owned social network said it would shift 100 million teenagers in the U.S. and around the world into the guard-railed accounts.

The move applies to all accounts with an under-18 birth date, though teens 16 and older will be able to change their settings without parental approval.

Any new teen accounts will be similarly restricted. Parents will no longer have to manually enter those settings using Instagram's parental supervision tool.

Teens are unlikely to be happy with the changes.

Instagram is expecting to lose "some meaningful amount of teen growth and teen engagement," Instagram head Adam Mosseri said in an interview.

"I have to believe earning some trust from parents and giving parents peace of mind will help business in the long run, but it will certainly hurt in the short term."

Instagram plans to go even further, starting next year: Using artificial intelligence, it said, it will identify children who are lying about their age—then automatically place them into the restricted teen accounts.

Instagram and other social-media companies are under pressure from lawmakers and parents to protect their youngest users.

Social media has contributed to bullying, eating disorders and anxiety and depression stemming from social comparisons, according to parents, doctors and researchers. The U.S. Surgeon General last year issued an advisory about the effects social media has on youth mental health.

Mosseri said the changes aren't in response to legal or regulatory pressure, but are happening because Instagram has arrived at what it feels is the right approach to teen safety.



Instagram Tightens Guardrails for Teens

App's head says new restrictions will hurt business but regain trust



▲ Adam Mosseri, the head of Instagram, says the company expects to lose some teen engagement.

The changes

Under the new accounts, teens won't be able to see sensitive content, such as posts or videos that show people fighting or that promote cosmetic procedures—and Instagram's algorithm won't recommend sexually suggestive content or content about suicide and self-harm.

A Wall Street Journal investigation earlier this summer revealed that sexual videos were being recommended to teen accounts.

Mosseri said Instagram has worked hard to ensure that the platform doesn't show teens such content. The new teen default settings should significantly reduce the chances of that, he added.

Teen accounts will receive notifications

telling them to close the app after an hour. (They can ignore it.) Sleep mode, which mutes notifications overnight, will be automatically enabled.

Teens 15 and under will need a parent's permission—via the parental supervision tool—to change the more-restrictive settings.

"If you want, you can override the default settings," Mosseri said of parents. "But if you don't have time to do that, you don't have to do anything."

If teens try to bypass the changes by creating new accounts

with an older birth date, they will be prompted to either show an ID or to upload a video selfie for Instagram's face-based age-prediction tool. The company already requires age verification when young people attempt to change the birth date on their accounts to say they are over 18.

Teens 16 and older will be able to change the restrictive settings themselves, unless their account is already under parental supervision. Instagram's reasoning is that older teens are more mature and need more autonomy.

The changes will roll out to teens in the U.S., the U.K., Canada and Australia within the next two months and to teens in Europe later this year.

The changes will apply to teens in the rest of the world starting in January.

Verifying age with AI

Early next year in the U.S., Meta plans to use its adult classifier AI model to determine which Instagram account holders really are teens. The company, which also owns Facebook and WhatsApp, has already used that model to prevent teens from accessing such adult features as Facebook Dating.

▲ Instagram plans to automatically put all teens under 18 in restrictive accounts.

Verifying users' ages has been considered one answer to safety-related problems on social media. Mosseri said he still believes Apple and Alphabet's Google—which make the operating systems for most phones—should provide age verification at the device level.

Apple has said that social-media companies are best positioned to verify age and that sharing its users' ages with third-party apps could go against privacy expectations.

Mosseri said AI models that predict age aren't perfect. Meta's AI is trained on an account's interactions with other users and content, among other signals, to determine whether the birth date is false.

When the model begins policing, it will look for accounts held by people who are likely under 18. Those accounts will be placed under the teen restrictions, an Instagram spokeswoman said.

But in the event the AI was wrong, the user will have an opportunity to appeal, and further train the AI.

Instagram and other social-media platforms prohibit children under 13 from using their services—but it is an open secret that many kids still sign up.

Mosseri said he hopes the AI model will eventually be able to identify those underage users. If they can't prove their eligibility, Instagram will disable their accounts, he said.

FROM TOP: MIKALA MARTIN FOR WSJ; TOM WILLIAMS/ZUMA PRESS

By TOM CORRIGAN

Scripps College offers the best overall campus experience, according to the 2025 Wall Street Journal/College Pulse ranking.

Scripps, a women's liberal-arts college in Claremont, Calif., scored well across all three categories that each make up one-third of the student-experience score: campus facilities, community and social life, and diversity.

Scripps is followed in the ranking by Harvey Mudd College, Florida International University, Hobart and William Smith Colleges and California Baptist University.

Scripps Earns an A+ for Student Experience

Scripps and Harvey Mudd are both members of the Claremont College consortium, a group of independent institutions that share contiguous campuses and some student services. Two more of the five undergraduate colleges in the consortium rank in the top 10 for student experience: Pomona College, at No. 7, and Claremont McKenna College at No. 10. The fifth college in the consortium, Pitzer College, is No. 12.

"Scripps really feels like a resort," says JonNae Sylvester, a senior from New Orleans. "It's so pretty, and that definitely does boost morale."

Many of the top-performing schools for student experience did well in the overall ranking. Princeton University, ninth for student experience, is No. 1 overall among U.S. colleges. Yale, sixth for student experience, came in fourth overall, and Claremont McKenna was fifth.

The Wall Street Journal and College Pulse surveyed more than 50,000 students and recent graduates earlier this year, asking dozens of questions on topics covering many aspects of student life.

Questions about campus facilities focused on food, housing options and extracurricular activities. Other questions asked students about their satisfaction with the sense of community on campus, mental-health support, safety and their school's party scene.

Brigham Young University received the highest score for campus facilities. Hampden-Sydney College got the top mark for community and social life.

To quantify diversity, students answered questions about the quality and frequency of opportunities



▲ Scripps College scored well across the board on survey questions about the campus experience.

is also student body president and a university trustee. "Every student here is from a different background."

Earlier this year, FIU eliminated its division of diversity, equity and inclusion in response to a new state law in Florida that prohibits public universities from funding DEI initiatives. The ranking uses demographic data relating to diversity that predate the state's mandate.

FIU said it remains "committed to cultivating an environment of accessibility and equal opportunity, where all are welcomed to learn, earn, and thrive."

TOP 10 COLLEGES FOR STUDENT EXPERIENCE		
STUDENT EXPERIENCE RANK	COLLEGE	STUDENT EXPERIENCE SCORE
1	Scripps College	75.5
2	Harvey Mudd College	75.3
3	Florida International University	74.7
4	Hobart and William Smith Colleges	74.3
5	California Baptist University	73.9
6	Yale University	73.5
7	Pomona College	73.1
8	Oral Roberts University	72.4
9	Princeton University	71.6
10	Claremont McKenna College	70.7

Source: WSJ/College Pulse 2025 Best Colleges in the U.S. ranking

GETTY IMAGES

PERSONAL JOURNAL.

Junk Fees Are Easier to Spot but Persist

It's becoming more normal for travelers to know upfront all costs associated with hotel stays and plane tickets

BY ALLISON POHLE

It's now easier to spot junk fees when you fly, stay at a hotel or book a trip online. Just don't expect to pay less for your vacation.

Junk fees, the ambiguous surcharges tacked onto your bookings, are government targets.

During his 2023 State of the Union, President Biden vowed to "ban surprise resort fees that hotels charge on your bill." State-level regulations have taken effect in California, with other states looking to follow. Federal lawmakers and regulators are trying to take the reform nationwide.

In the wake of the crackdown, consumers are heading into purchases with more information. In many cases, it's giving them pause to book. Executives at Airbnb and Expedia both recently said fuller displays of upfront costs have changed some travelers' willingness to pull the trigger on a reservation.

Travelers say they aren't seeing any change in price. But for now, knowing exactly what you are paying for feels like a win after years of seeing total costs multiply at the checkout screen. In a 2023 nationally representative survey of 2,121 U.S. adults from Consumer Reports, 37% said they experienced unexpected fees for hotel stays.

Andrew Gulbranson, a 32-year-old construction superintendent based in San Francisco, is no longer shocked by the hotel rates he sees at the checkout screen.

"You don't have to see a hotel room that's \$180, and then there's all these additional fees, so what's advertised as \$180 is actually \$230. That's been really nice," he says.

California first

California passed two of the first bills to address transparent pricing. The Honest Pricing Law requires businesses to list prices that include all mandatory fees. The other requires hotels, motels and short-term rentals to disclose the total price, including taxes and fees, before taking a reservation. The statutes went into effect July 1.

A consumer searching Expedia

▼ Marriott includes all mandatory fees on the first page of its booking website nationwide after settling a lawsuit with Pennsylvania's attorney general.



for a two-night stay in San Diego this weekend will see the full price in the initial search. A classic room with one king bed at the InterContinental San Diego costs \$1,216. Expedia advertises that price on its initial booking screen. At checkout, the consumer sees that the total includes a \$47-a-night resort fee.

The California law has had no effect on prices, according to guidance from the California attorney general. Hotel and short-term-rental data providers who track prices say they see no direct link between the law and a reduction in prices.

Still, Expedia executives said on a recent earnings call that the legislation had a negative effect on bookings. On her company's August earnings call, Airbnb Chief Financial Officer Ellie Mertz said the change represented "a little bit of a headwind to our California business."



The headwind referred to consumers potentially needing time to get used to seeing the full price before taxes as a default, where it was previously an opt-in toggle, an Airbnb spokesman said. He added that the company supports federal price-display legislation.

National scope

The U.S. House of Representatives passed the No Hidden FEES Act in June. A bipartisan bill in the Senate aims to bring a similar level of transparency to hotels, short-term rentals, online travel agencies and search websites.

"Having this kind of transparency and them knowing that when they get a price, it is the actual price, is really, really helpful for travelers in general, but for people's bottom lines," says Sen. Amy Klobuchar (D., Minn.), one of the bill's sponsors.

The American Hotel and Lodg-

ing Association, the national hotel lobbying group, has endorsed the bill to create a single, standard pricing display for consumers, says its interim president and chief executive, Kevin Carey.

Many major hotel companies changed their pricing displays even before the California legislation went into effect, in part due to lawsuits. After settling with Pennsylvania's attorney general over fee disclosures, Marriott began including all mandatory fees on the first page of its booking website nationwide.

Despite the new laws and company changes, hotels still sneak additional fees onto bills, says Lauren Wolfe, counsel for Travelers United, a consumer-advocacy

group. Her group has noticed more mandatory parking fees at suburban hotels, which are more likely to have parking lots.

The Federal Trade Commission has also proposed a rule targeting deceptive fees.

Airlines, rental cars

Whether additional fee transparency comes to airlines remains uncertain.

The Transportation Department finalized a new rule earlier this year that would require airlines to disclose up front the fees they charge for checked or carry-on bags, and fees to change or cancel reservations.

Major airlines sued to block this rule, arguing in a court filing that the DOT doesn't have authority to make such a rule. Enforcement is on hold due to a court order.

Airlines already disclose all fees associated with air travel before fliers purchase a ticket, and the "DOT ancillary fees rule is a bad solution in search of a problem," said Airlines for America, the industry's lobbying group.

Rental-car companies are also facing a new legal challenge.

Travelers United filed suits against Avis and Budget last week in D.C. Superior Court. The suits concern mandatory added service fees, which often aren't disclosed until the end of purchase. The suit alleges these fees can increase the total cost of the rental by more than 10%.

Avis Budget Group, the holding company for the two brands, didn't respond to several requests for comment.



umphs and grieving loved ones. She also explores her love for rescuing animals and her arduous journey to a stable living in show business, beginning with her entrance into professional dance and her transition into stage and screen acting. It's a side of Bishop few may be familiar with—a life full of cinematic twists and turns.

Born Carole Jane Bishop in Colorado Springs on Feb. 28, 1944, Bishop and her brother were raised in Denver largely by her mother.

Bishop was fascinated by ballet and

dance from a young age, but money was tight, so Bishop's mother played the piano for Denver's American

Ballet Theatre in exchange for her

daughter's lessons.

In the memoir,

Bishop describes her

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years, she relied on

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At 18, she moved

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School and to auditions

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The ABT rejected Bishop, so

she spent several years in the

corps de ballet for the Rockettes and as a

dancer for dinner theater and traveling shows.

Her first marriage, in her mid

20s, took a dark turn when her husband drained their finances as a result of his gambling addiction.

"I had a few times where I was

really in dire straits financially," Bishop says.

Then came the invitation that would change her life—to join the principal cast of "A Chorus Line," a musical making its debut on Broadway in 1975.

"After those three weeks of unemployment were over, I was living on \$100 a week," Bishop says, and renting "a terrible one-room, roach-infested apartment."

When it opened, "A Chorus Line"

was a smashing success that won

Bishop a Tony Award for best fea-

tured actress in a musical.

She then built a filmography out of many small-to-medium parts on TV shows and movies, including "Dirty Dancing," where she plays Baby Houseman's mother, Marjorie Houseman. Bishop says the stars of the film never expected it to be a hit.

Then in 2000 came Bishop's

iconic role as Emily Gilmore on

"Gilmore Girls." She has become a

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digs such as, "You can use your

mother's old golf clubs. They're up-

stairs, gathering dust, with the rest of her potential."

Many of Emily's harshest remarks were reserved for her daughter, Lorelai, with whom she had a stormy relationship. She's still somewhat mystified by audiences' enthusiastic embrace of her character. "Earlier on, I don't think I was sympathetic at all," she says. But: "I'm perfectly happy playing bad people."

Bishop generated the book a little under two years with co-author Lindsay Harrison.

She describes getting an abortion in 1978, when she was with a long-term partner.

"I was painfully aware that I'd never been faced with a more important decision in my life," Bishop writes: "Sadness because I'd be ending a potential life, and anger because I let this happen in the first place. My body, my responsibility."

In 2004, she flew to Washington, D.C., to attend a pro-choice rally with "Gilmore Girls" producer Helen Pait and show creator Amy Sherman-Palladino.

"Initially, I was not going to put anything about the abortion because it is private," Bishop says. "But it wasn't until Roe v. Wade was destroyed that I thought, 'Oh no, I've got to step up now. I've got to say something.'"

What comes next for Bishop is the book tour, a month of traveling through four cities. She's looking forward to meeting fans.

"This will come as no surprise—I love to talk," she says.

FROM TOP: ISTOCK; JUSTIN SULLIVAN/GETTY IMAGES; JEFF CHIU/ASSOCIATED PRESS

The Third 'Gilmore Girl' Looks Back In Memoir

BY ASHLEY WONG

Kelly Bishop has appeared in so many movies and TV shows that she'll occasionally receive a residual check for a project she'd lost to time, she says.

"I got a check the other day

from 'Miami Rhapsody,' a movie with Sarah Jessica Parker and Antonio Banderas," says Bishop, who is 80. "I had just, for a few minutes, forgotten."

In her new mem-

oir, "The Third

'Gilmore Girl,'

out Sept. 17, Bishop re-

flects on her long

acting career, from her theatrical

breakout in 1975 as Sheila in the

first Broadway run of "A Chorus

Line" to playing Emily Gilmore, the

steel-tongued matriarch of the TV

show "Gilmore Girls."

Between stories of dancing with

the Rockettes and filming with Pat-

rick Swayze, Bishop peppers in

memories of failed relationships, fi-

nancial struggles, professional tri-

Kelly Bishop lived a life full of cinematic twists and turns.

umphs and grieving loved ones. She also explores her love for rescuing animals and her arduous journey to a stable living in show business, beginning with her entrance into professional dance and her transition into stage and screen acting. It's a side of Bishop few may be familiar with—a life full of cinematic twists and turns.

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</div



ALAIN HUBERT, 2007 POLAR EXPLORER AND MOUNTAINEER



HAROUN TAZIEFF, 1963 PIONEERING VOLCANOLOGIST



FRANCESCO SAURO, 2014 SUBTERRANEAN EXPLORER

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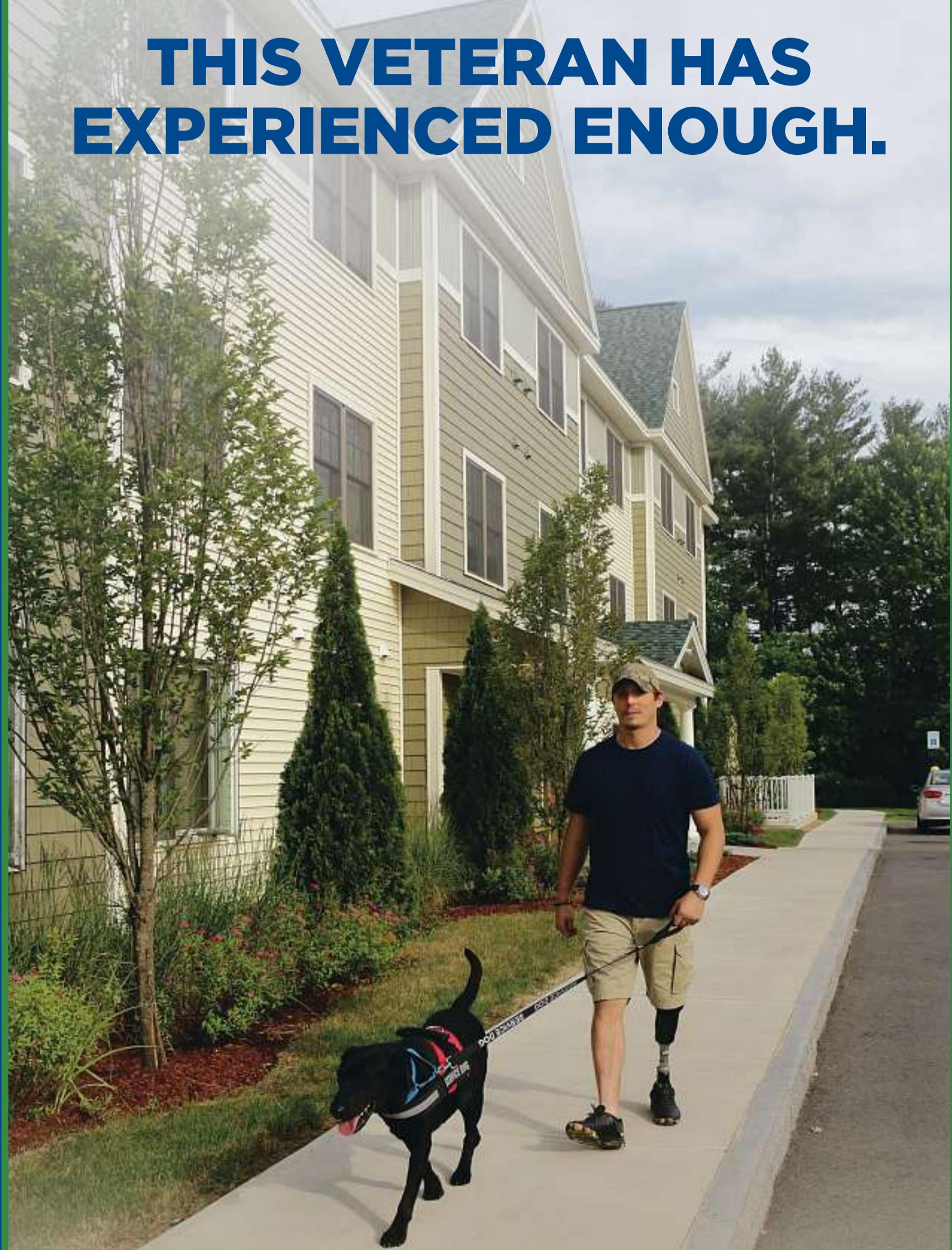
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ARTS IN REVIEW

Tough he records only sporadically, London producer Jamie xx, born James Smith, has been one of the most important figures in electronic music over the past 15 years. He was still a teenager when he began working with school friends Romy Madley Croft and Oliver Sim in the influential band the xx. The group's self-titled 2009 debut album mixed the guitar-forward instrumentation of indie rock and the whispered vocals of R&B in a set of bedroom-pop confessional, and its formula spawned an entire genre of imitators. Mr. Smith produced the record and programmed the drums, but his most significant contribution to the group, which put out two more full-length LPs, may have been his exceptional taste. He has a vast knowledge of dance music from around the globe going back to the 1960s, and he has an unerring ear for finding the perfect rhythm or sample to get an emotional idea across.

After remix work and a run of excellent singles, Mr. Smith issued his debut solo LP, "In Colour," in 2015. It was an indie-dance landmark that drew on the best of his work to that point and added epic tunes fit for massive festivals. In a sense, it was his version of the EDM that was in vogue during the first half the 2010s—see Skrillex and Deadmau5—but executed with reverence for music history, particularly the acid house closely associated with U.K. rave from the '90s. Since his debut album, Mr. Smith has continued to release solo singles and has become a reliable live draw, but it's taken nine years for a follow-up LP. "In Waves" (Young), out Friday, is a more focused release than its predecessor, which cuts both ways.

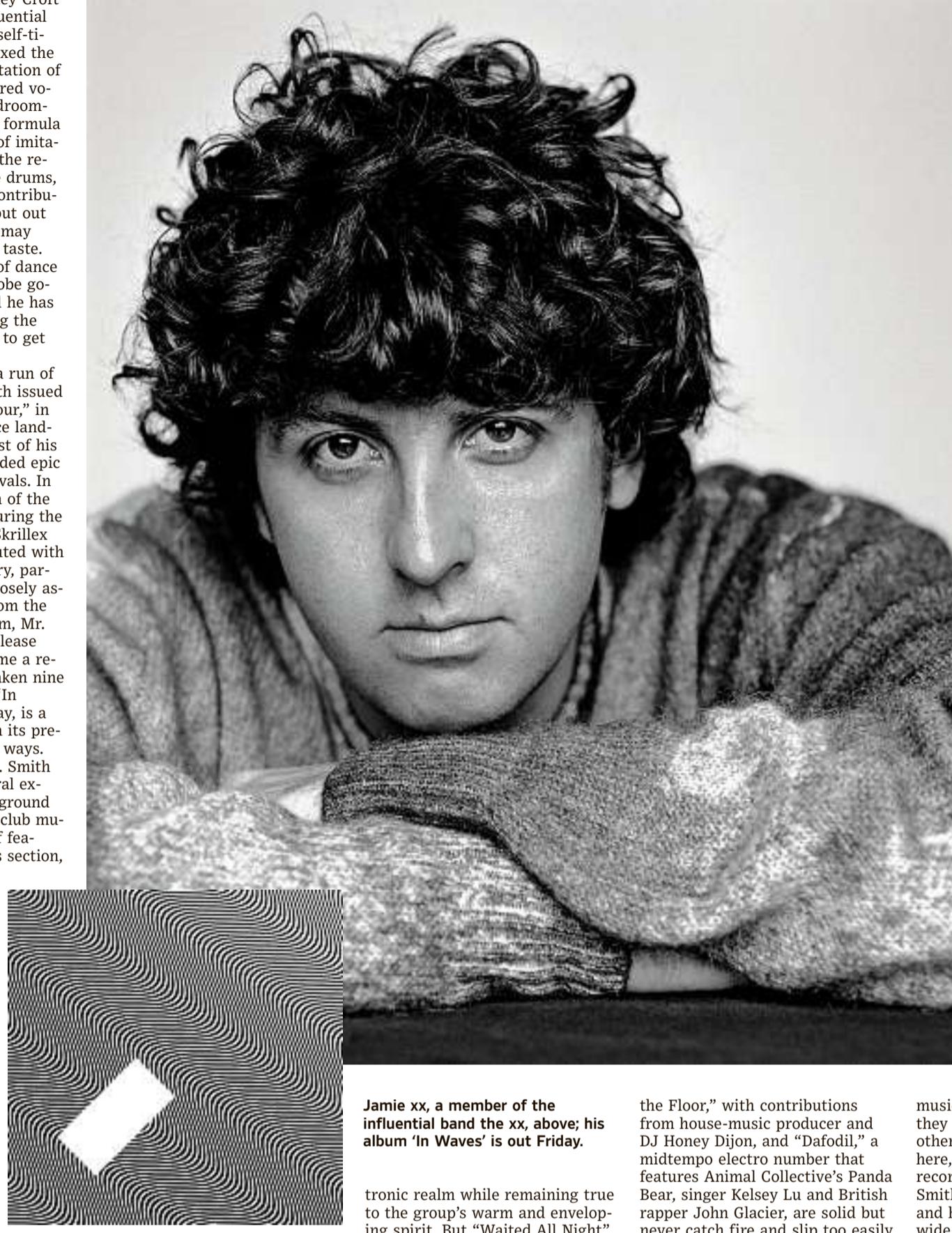
Early in the record, Mr. Smith puts pop forms and textural experimentation in the background in favor of crisp uptempo club music. There are a number of featured vocalists during this section, but their parts are often just another sound in the mix, and hard to distinguish from the surrounding samples. "Wanna" is a lovely opener, with ghostly smears of sampled voices and a stately piano, serving as a nostalgic tribute to the affective range of club music. Drums rise in the mix and then carry the tune into the second track, the galloping and bass-heavy "Treat Each Other Right," one of several places on the album where tracks flow into each other like a mixtape.

"Waited All Night," which features vocals from Mr. Smith's bandmates in the xx, is the LP's first hiccup. On earlier collaborations outside of the band on "In

MUSIC REVIEW | MARK RICHARDSON

Destined for the Dance Floor

The first solo album in nine years from British producer Jamie xx is an uneven collection of club music



Jamie xx, a member of the influential band the xx, above; his album 'In Waves' is out Friday.

"Colour" and Ms. Croft's strong 2023 album, "Mid Air," Mr. Smith and the xx's singers seemed to relish the opportunity to expand the group's sound into an elec-

tronic realm while remaining true to the group's warm and enveloping spirit. But "Waited All Night" seems like it could have come from anyone, with sliced-and-diced vocals and a drum loop that isn't all that funky and doesn't have much of an emotional tug.

Both the following "Buddy on

the Floor," with contributions from house-music producer and DJ Honey Dijon, and "Dafodil," a midtempo electro number that features Animal Collective's Panda Bear, singer Kelsey Lu and British rapper John Glacier, are solid but never catch fire and slip too easily into the background, the talent of the contributors wasted.

After this uninspiring run of tracks, the record's middle and later sections—with spare use of guest contributors and emphasis

on the post-disco thump of house—are a marked improvement. "Still Summer" is a propulsive tune that makes good use of tension-building filters and dynamic shifts, while "The Feeling I Get From You" starts with a stomping beat that brings to mind the breakdance-friendly hip-hop of the late '80s, complete with sampled bongos, before detonating into a horn-sampling house groove that recalls early Daft Punk.

The one prominent vocalist during this stretch is Swedish singer Robyn on "Life," easily the best of the pop-leaning numbers. She sounds great both in a full-throated wail and when her voice is chopped into pieces and mixed with Mr. Smith's confetti explosion of samples. And on the four final tracks Mr. Smith switches into a spacier, more psychedelic mode, slowing the tempos slightly and using vintage-sounding synths that lend a dreamy feel. A particular winner is "All You Children," which has an innocence and intimacy absent from much of the record, with contributions from Australian electronic project the Avalanches and a prominent sample from a Nikki Giovanni poem encouraging kids to dance.

Given the nine-year wait and despite some major highlights, it's hard not to be a little disappointed with "In Waves." Some of that might be a matter of the settings for which the record seems designed. Almost half the tracks feel like tools to be integrated into a mind-blowing DJ set rather than music for home listening, as if they are meant to be heard in another form. But the best music here, especially the work on the record's best half, affirms Mr. Smith's reputation as a producer, and his knack for conveying a wide range of feelings that can be accessed both on the dance floor and when alone.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on X @MarkRichardson.



▲ Mr. Farrell in 'The Penguin,' reprising his role from the 2022 film 'The Batman.'

on—semi-spoiler on the way—Oz has shot him dead for not much reason, and then has to scramble to find a way to use the murder to maneuver Sofia and the rival Maroni family into a gang war. One that will leave him on top of the slush pile.

"The Penguin" may take a heightened view of a grimy underworld, but it relies much on the chemistry of its actors. Oz is, for all his real-world criminality, a pathetically cartoonish figure, largely because Mr. Farrell makes him a character playing a character: Oz has an image in his head of how the tough guys in his neighborhood acted and talked when he was a kid and his entire persona is a caricature.

Ms. Milioti creates just as captivating a character, although Sofia has been stripped of any pretense or affect by an experience that "The Penguin" makes almost too graphic.

a darker worldview. And darker world. But adaptations like "The Penguin"—or, lest anyone forget, 2019's "Joker"—are more reflective of a hunger among audiences for something more genuine, not just in their Batman stories but in their myths and histories generally. The original DC myth is laughable in a world in which everyone is a Freudian; the concept of costumed crime fighters—and criminals—seems fairly ludicrous without sufficient psychological trauma and an accompanying profile to back it up. "The Penguin" is an attempt to fill a fictional void.

There are some fantastical elements here, the series being set in a fanciful time and place where anachronisms abound. But the motives make sense, as do the characters. They include Salvatore Maroni (a terrific Clancy Brown), running his empire from prison; his wife, Nadia (Shohreh Aghdashloo); Falcone underboss Johnny Vitti (Michael Kelly); and, perhaps most importantly, Victor Aguilar (Rhenzy Feliz), the good-hearted teenager whom Oz turns into his felonious protégé. Mr. Feliz, whose stuttering Victor is given a life goal in following Oz, bestows more humanity on the title character than he probably deserves.

The Penguin
Begins Thursday, 9 p.m., HBO

Mr. Anderson is the Journal's TV critic.

TELEVISION REVIEW | JOHN ANDERSON

Colin Farrell's

Criminal Grotesque

Don't bother looking for Batman during "The Penguin," despite the show's roots in the DC universe. And don't bother looking for Colin Farrell either. He may be in there, somewhere, hidden by the fat, the sweat, the scar that runs from lip to cheek and the perversely immersive impersonation he gives of a hard-wookin' hoodlum from Gotham City. All traces of the handsome Irish actor have disappeared. "Why!" cried a

Farrell admirer, as she happened through the living room. All I could say was, maybe it isn't really him? Whoever it is, he's astounding.

Likewise, Cristin Milioti, who is arguably the real star of this eight-episode, Lauren LeFranc-created spinoff of "The Batman," the Matt Reeves-directed feature of 2022, which made a cave full of money and seems to have re-jigged the entire Batman franchise—so much so that the Caped Crusader doesn't have to appear, or even be mentioned, in the series. Meanwhile, the characters played by Mr. Farrell and Ms. Milioti are not just entertaining adversaries. They are dynamic, dramatic and emotional complements to each other. As are the performances.

Oswald Cobb aka Oz, or—if you want to annoy him—the Penguin (Mr. Farrell), is a homicidal maniac

with a mother fixation. (The "White Heat" parallels are in your face; Oz at one point even exclaims "top of the world!") He grew up in Gotham's version of Queens and was groveling his way up the criminal ladder long before the Riddler blew up the seawalls around the city, causing catastrophic floods, reducing the population and turning parts of town into trash-strewn rubble. (The production design by Kalina Ivanov takes no shortcuts.)

Ms. Milioti's Sofia Falcone, meanwhile, grew up a gangster princess until being betrayed by her own family to cover a series of murders by her father (John Turturro in the movie, Mark Strong in flashbacks here), subsequently spending 10

years in a snake-pit

hospital for the criminally insane.

Mr. Farrell's Penguin is a grasper, a grifter and a shameless toady to whomever he needs. Sofia earns our respect. Fierce but not yet entirely out of control, she returns to a mob world that still regards her as The Hangman, a serial killer of young women and the darling of Gotham's tabloids. Her only ally is her brother, Alberto (Michael Zegen). Addicted to "drops," the drug marketed by the Falcons and taken like Visine, Alberto has disappeared and Sofia wants to know where and why. As we see early

on—semi-spoiler on the way—Oz has shot him dead for not much reason, and then has to scramble to find a way to use the murder to maneuver Sofia and the rival Maroni family into a gang war. One that will leave him on top of the slush pile.

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ing a character, although Sofia has been stripped of any pretense or affect by an experience that "The Penguin" makes almost too graphic.

How did we get here, one might ask? The evolution of The Batman—from DC Comics to campy network TV to the grim vision of Frank Miller's graphic novels to Christopher Nolan's masterly interpretations—seems symptomatic of

OPINION

The Media vs. Ukrainian Peace?

**BUSINESS WORLD**
By Holman W. Jenkins, Jr.

There's a reason, after a previous assassination attempt, I wrote a column headlined "Thinking Trump and the Ukraine War" and mentioned the trickle, which since has become a flood, of U.S. government pseudo-crackdowns on Russian propaganda. These crackdowns seem mainly designed to flog the idea to U.S. domestic voters that the Kremlin backs Donald Trump.

I also drew a connection to the "witless polemic," as I called it, of analysts who think it advances Ukraine's cause to paint a likely U.S. president and his 75 million voters as Putin supporters.

The latest would-be assassin, Ryan Routh, may well have been a fan of such agitprop. He lacked Lee Harvey Oswald's military training but not his wannabe aspirations, having traveled to Ukraine to pose, apparently in unwelcome fashion, as an organizer of foreign legionnaires.

Which brings us to today's subject. Even without a second attempt on Mr. Trump, it would have been the Biden administration's looming, unavoidable and consequential decision about how heavily to involve U.S. capabilities in Ukraine's expanding campaign to strike targets inside Russia.

The decision involves risks. It needs to be made as part of

a plan, not as another episode in the "no, no, no, yes" routine that has defined Joe Biden's response to Ukrainian aid requests. Indeed, neither Kamala Harris nor Mr. Trump should be especially easy with Mr. Biden (or his aides) making so pregnant a call whose consequences they would inherit.

Vladimir Putin is again threatening escalation but he hasn't despatch what you're hearing, threatened nuclear use, which would be strategically grotesque even for him, as the boy who cried wolf so many times he made it impossible for his adversaries to know when he meant it.

The moment has also arrived when Ukraine remembers that its interests aren't the same as U.S. interests. The most important aim behind its Kursk offensive may be the least spoken: As long as Kyiv holds Russian territory, nobody will impose, and Russia can hardly accept, a freezing of current positions, as suggested by Trump running mate JD Vance.

The signaling has been no less elaborate on the Western side, with noisy consultations and travels, culminating in Friday's meeting with Mr. Biden and the new British prime minister, who reportedly advocates allowing Ukraine to use NATO-supplied weapons to bring the war more deeply into Russia. From a distance, the signs are the sort that even might precede negotiations.

To U.S. strategists, understand, the current fighting is

elsewhere (not an unfamiliar experience for U.S. allies). Already U.S. geostrategists are looking forward to wooing Mr. Putin from his Chinese captivity.

Complicating matters, some cease-fire advocates in the West go wrong, and get themselves rightly suspected of being Putin allies, by insisting Ukraine should be extorted to seek peace by cutting off American aid, as if this wouldn't be an incentive for Mr. Putin to keep fighting.

The obvious path: Extort Ukraine's compliance with a peace deal by piling on the aid commitments, to assure its long-term self-defense.

This isn't a job for a lame duck, much less a U.S. president of uncertain cognitive function, much less the author of the U.S. strategy so far, which has all but amounted to coaxing Mr. Putin to dig himself deeper into a failed war.

From a cynical perspective, this made sense during Mr. Biden's first term. He could avoid stating a definition of victory that he could be criticized for or judged against. Had he achieved the second term he sought, he would have laid his cards on the table. That's when Ukraine was likely to discover that, for all the media talk that possibly excited the alleged assassin Mr. Routh, the Biden objective isn't different from the Trump objective. The only difference is the political interest that allows Mr. Trump to put into words what Mr. Biden won't.

In a televised presidential debate, forms should be observed: Mr. Trump should have said (as he has before) that he told Mr. Putin to stay out of Ukraine and in that sense favors a Ukrainian victory. But war isn't a sporting event. The Biden administration wished to defer responsibility, but an endgame to meld U.S. and Ukrainian interests is becoming a necessity perhaps even before the next president takes office.

This involves risk—Mr. Putin has his own endgame in mind though I imagine he no longer can believe in some giant reversal by which Ukraine doesn't end up a heavily armed if unofficial ally of a strengthened and enlarged NATO.

But in another sign of how badly off-kilter this election has become, we may not discover until after Election Day whether Ms. Harris has any thoughts at all on what should happen next.

BOOKSHELF | By Melanie Kirkpatrick

An Encounter At Plymouth

Squanto: A Native Odyssey

By Andrew Lipman

Yale, 264 pages, \$28

If the name Squanto doesn't ring a bell, ask an 8-year-old. The story of the Native American who helped the Pilgrims survive their first desperate year in what is now Plymouth, Mass., has become a staple of elementary-school curricula. The laudable objective is to give the Wampanoag people their due in the often-misrepresented Thanksgiving story.

Andrew Lipman accomplishes this task and more in "Squanto: A Native Odyssey," a captivating, elegantly written biography of the man Plymouth Gov. William Bradford declared "a special instrument sent of God." Mr. Lipman, who teaches history at Barnard College, reconstructs the remarkable life and times of the Pilgrims' interpreter, teacher, counselor and diplomatic go-between while drawing a portrait of the Wampanoag culture that shaped him. It appears that "Squanto" is the first book for adult readers on this intriguing figure in early American history.

Squanto's life was brief and eventful. Born near the end of the 16th century, he grew up in the coastal New England village of Patuxet, which the Pilgrims settled and renamed Plymouth. Kidnapped in 1614 by an English explorer who planned (but failed) to sell him on the slave market in Málaga, Spain, Squanto found his way to London, where he lived in the household of a merchant who had an interest in opening

up a fur trade with the indigenous people of Newfoundland. Mr. Lipman speculates that he had a job operating a wherry—rowboat—on the Thames.

Mr. Lipman characterizes Squanto as a "bold personality" with "the general profile of quick language learners." He became fluent in English and his merchant-host—wrongly assuming that the Wampanoag spoke the same language as native inhabitants 1,000 miles north of Patuxet—arranged for him to sail to Newfoundland to serve as an interpreter with the locals. The journey was a failure for the merchant but a success for Squanto, who learned before returning to England that an interpreter played a key part in the flow of information—making his language skill a potential asset.

Squanto's next and final trip across the Atlantic eventually took him back to Patuxet, where tragedy greeted him. His village was deserted, strewn with human bones. In the five years of Squanto's absence, a plague, introduced by European visitors, had wiped out most of his family and friends. He "had been dreaming of this day," Mr. Lipman writes. "Now it had come and it was a nightmare."

"Squanto" is not a traditional biography. The Wampanoag left no written record, and we don't even know the date of Squanto's birth. The author mines historical records from the period—maps, illustrations and ship logs, along with accounts from William Bradford and Edward Winslow, Pilgrims who were close to Squanto. He gathers additional information on tribal customs and rituals from the writings of post-Mayflower settlers who learned about Wampanoag practices from the increasing number of bilingual natives.

In a rite of manhood that would get a parent arrested today, Wampanoag elders would lead a blindfolded youth deep into the winter woods and leave him alone to fend for himself until spring, when someone would come to lead him home. Divorce was permitted—a husband or wife could initiate it—but adultery was condemned. The Wampanoag acquired different names at different points in their lives, which explains why Squanto is also known as Tisquantum.

Squanto traveled the Atlantic long before meeting the Pilgrims. Learning the role of interpreter, he made his language skill an asset.

Mr. Lipman's examination of slavery is eye-opening. Only in recent years, he reports, have historians understood how common it was for colonists to capture and enslave natives, subjecting them to a form of bondage if not chattel slavery. They were taken, Mr. Lipman says, "for their labor with no guarantee of freedom." The "eastward transshipment of Natives," he writes, "occurred simultaneously with the much better known westward traffic in African peoples across the Atlantic." Hundreds of thousands of indigenous men and women—yes, hundreds of thousands—endured such "reverse middle passages" from the Americas.

As the centuries passed, Squanto came to be portrayed as a solitary actor, helping the English settlers to enhance his status in the Wampanoag leadership. Mr. Lipman presents him as a more complex person, a "figure who was motivated by communal concerns and his personal ambition." He questions the popular perception that Squanto alone taught the English how to plant maize, beans and squash—the "three sisters." It is rightly seen as a "collective effort," he writes. Women—whom Pilgrim chroniclers generally ignored—were responsible for agriculture in Wampanoag culture and probably demonstrated planting techniques. All the Wampanoag of Patuxet played a role in the Pilgrims' first harvest, Mr. Lipman believes, and "they saw the translator as merely their mouthpiece and not the sole teacher."

Toward the book's end, Mr. Lipman turns his attention to the facts and fiction surrounding the history of Thanksgiving Day. He correctly notes that the Pilgrims didn't consider the "First Thanksgiving" a religious day of thanksgiving; it was more of a harvest festival. He's right, too, that it wasn't until the second half of the 19th century that Pilgrims and Indians became part of Thanksgiving lore.

But he gives short shrift, I think, to the First Thanksgiving's importance to the holiday we celebrate today. The 1621 gathering marked a short-lived period of peace and amity between two disparate peoples who were trying their best to get along. War would follow, along with the near elimination of New England's native population.

The First Thanksgiving is just one of the many threads in the history of the holiday Americans celebrate today. The Wampanoag's generosity and friendship with the Pilgrims in 1621—as personified by Squanto—are worth remembering and honoring, and not only on the fourth Thursday of November.

Ms. Kirkpatrick, a former deputy editor of the Journal's editorial page and a senior fellow at the Hudson Institute, is the author of "Thanksgiving: The Holiday at the Heart of the American Experience."

A U.S. National Debt Crisis Is Coming

**POLITICS & IDEAS**
By William A. Galston

Despite intensifying polarization, the Republican and Democratic parties are alike in one important respect: Both now behave as though budget deficits don't matter. Red and blue politicians alike seem to think we can increase spending, cut taxes indefinitely, and borrow whatever we need to close the gap while running up the national debt—all without paying a price.

Why not make everyone happy by eliminating taxes altogether and borrowing everything? The answer is obvious: No prospective lenders would believe that they'd be repaid in full. They would thus demand ever-higher rates of interest on debt. Eventually, the merry-go-round would grind to a halt, triggering a crisis the likes of which the U.S. has never faced.

Our current course—beset with rising net interest outlays and stagnant revenue—could also halt the merry-go-round, though in slow motion. At some point, the volume of debt needed to finance our deficits would exceed lenders' willingness to lend their cash reserves on terms that wouldn't ruin the economy.

That this hasn't yet happened is no evidence that it

won't or can't. It proves only the wisdom of Adam Smith's famous reminder that "there is a great deal of ruin in a nation." We can recover from episodic folly, but if we persist in it, we're asking for trouble.

Let's recall recent history. The last time the U.S. federal government had a budget surplus was in 2001. Federal debt held by the public stood at \$3.3 trillion, about 33% of gross domestic product, and the government was on track to pay it off completely by the end of the decade.

Over the next two decades, the combination of tax cuts, spending increases, costly wars and the fiscal pressure of an aging population reversed this trend. The national debt held by the public is now above \$28 trillion and is 99% of GDP. The 2024 budget deficit alone will be nearly \$2 trillion, which is 7% of GDP. The Congressional Budget Office projects that by 2035 debt held by the public will top \$50 trillion and total debt will equal 122% of GDP.

These numbers may sound abstract, but they have real consequences. Over the past half-century, interest payments on the federal debt averaged 2.1% of GDP, compared with 3.1% this year. If current trends continue, the annual interest payment will reach \$1.7 trillion—4.1% of GDP—by 2034. The CBO is required to base its estimates on current law, which includes a planned

termination of many of the 2017 tax cuts next year. Extending those tax cuts would make the deficit and debt projections even worse. The budget office projects that defense spending, which has averaged 4.2% of GDP over

generations without benefit cuts. But the stream of revenue into these programs isn't enough to finance current benefits, and both programs are running deficits. Social Security's reserves are projected to run out by 2033, Medicare's by 2036. Republicans who back Mr. Trump on Social Security and Medicare are tacitly endorsing increased revenue for these programs. Why not level with the American people about the coming crisis and persuade them to begin phasing in the added revenues from taxes needed to forestall it?

The balanced budgets we enjoyed at the end of the 20th century won't return anytime soon. Fortunately, fiscal sustainability doesn't require this. As I've argued in previous columns, politicians should at a minimum stabilize the national debt as a share of GDP so that the burden of interest payments and debt refinancing grows no faster than the economy. If long-term projections for 2% annual economic growth and inflation rates are accurate, this target would require a cut of about \$9 trillion, or 40%, in addition to the debt projected over the next decade. Bringing Social Security and Medicare into balance would be a big step toward this goal, but we would have to do more to meet it. We can't ignore the deficit and debt indefinitely, even though we like to pretend that we can.

Politicians should start by talking frankly about the social safety net. Donald Trump agrees with Kamala Harris and most Democrats that Social Security and Medicare must be preserved for future

the past 50 years, will shrink to 2.8% by 2034. The growing burden of interest payments, including to foreign creditors, makes it harder to afford the national security we need.

Perhaps because a national-debt crisis seems distant and intangible to the average American, voters are focused on more urgent matters, such as high prices, immigration and abortion. But it's the duty of public officials—especially candidates for high office—to tell the people what they need to know, not only what they want to hear. Ignoring tough issues may yield short-term gains for politicians, but future generations will judge their silence harshly.

Politicians should start by talking frankly about the social safety net. Donald Trump agrees with Kamala Harris and most Democrats that Social Security and Medicare must be preserved for future

they do so, their children likely won't be invited to every party, nor be up to speed on every nuance of school drama. I certainly wasn't.

But that's OK. Phones aren't the end-all, be-all of social dynamics. Parents should begin making pacts not to allow smartphones until a certain age, so that their children can build friendships based on real-life interactions rather than online posting.

Unfortunately, most of the resistance to phone bans comes from parents themselves, who insist that they need to communicate with their children during the day. To them, I say: Give your kids a candy-bar phone. To accommodate societal advancement, perhaps even get one that can text.

After all, what else could they possibly need it to do?

Ms. Lederman is a Joseph Rago Memorial Fellow at the Journal.

Your Kids Don't Need Smartphones

By Jillian Lederman

As the school year begins, K-12 students may need to kiss their phones goodbye. Seven states have passed school-technology restrictions that have been implemented or will be during the year. Other states, cities and districts may do the same.

When I was a kid, I didn't need the government to facilitate my phonelessness; my parents did it on their own. For years, my siblings and I shared a clunky candy-bar phone that we despondently referred to as a "radio remote control." It was equipped exclusively to call 911 and home, and as my parents frequently said, "What else could you possibly need to do?"

My parents preserved for me a childhood from an earlier time. Television was heavily restricted. I was required to learn cursive. Any time I wanted to invite some

one over, I picked up my family's landline and dutifully punched in my friend's phone number.

Most readers probably find this childhood familiar. But I was born in 2003. I was calling my friends from a landline during a time when many households had started

getting rid of landline phones altogether. During the same years that I was using my radio remote control to get picked up from school, nearly all my friends had iPhones.

Technology has only advanced since. Today, 74% of K-8 classrooms and 94% of high-school classrooms use laptops all or most of the time. Children 8 to 12 spend a daily average of 5½ hours on screens. Teens spend

eight hours. Excessive screen time among adolescents leads to depression and anxiety, among other consequences.

The ubiquity of technology makes restricting it a daunting task. Asking a student to use a landline will get you a blank stare. Plans are made in group chats. Social gatherings are documented on TikTok. True friendship is demonstrated by commenting on one another's Instagram posts—and good luck to you if you don't have an account.

As one parent agonizes in an online post, "I have a 10 year old who is the only one of her core group of friends at school who does not have a phone or social media." The child's social life is suffering as a result. Hundreds of commenters commiserate.

School phone restrictions are a good start, but the problem is too embedded to legislate away. It comes down to parents, and whether they are willing to keep their kids away from screens. Should

BOOKSHELF | By Melanie Kirkpatrick

An Encounter At Plymouth

Squanto: A Native Odyssey

By Andrew Lipman

Yale, 264 pages, \$28

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Andrew Lipman accomplishes this task and more in "Squanto: A Native Odyssey," a captivating, elegantly written biography of the man Plymouth Gov. William Bradford declared "a special instrument sent of God." Mr. Lipman, who teaches history at Barnard College, reconstructs the remarkable life and times of the Pilgrims' interpreter, teacher, counselor and diplomatic go-between while drawing a portrait of the Wampanoag culture that shaped him. It appears that "Squanto" is the first book for adult readers on this intriguing figure in early American history.

In a televised presidential debate, forms should be observed: Mr. Trump should have said (as he has before) that he told Mr. Putin to stay out of Ukraine and in that sense favors a Ukrainian victory. But war isn't a sporting event. The Biden administration wished to defer responsibility, but an endgame to meld U.S. and Ukrainian interests is becoming a necessity perhaps even before the next president takes office.

This involves risk—Mr. Putin has his own endgame in mind though I imagine he no longer can believe in some giant reversal by which Ukraine doesn't end up a heavily armed if unofficial ally of a strengthened and enlarged NATO.

But in another sign of how

badly off-kilter this election has become, we may not discover until after Election Day whether Ms. Harris has any thoughts at all on what should happen next.

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OPINION

REVIEW & OUTLOOK

The Supreme Court Gets a Defense

As political attacks on the Supreme Court become more heated, the institution could use more defenders. Most of the press and the professoriate are hostile. So it's welcome that a leading member of the appellate bar is speaking up to defend the Court and urging his colleagues to do the same.

"I believe that the criticisms of the Court's legitimacy are unfounded," said Kannan Shanmugam in a notable speech Monday at Duke Law School. "But more than that, I believe that attacks on the Court's legitimacy are dangerous, undermining public confidence in the Court and imperiling the rule of law."

Mr. Shanmugam, a partner at the Paul Weiss law firm, has argued 38 cases at the Supreme Court. He clerked for Antonin Scalia on the Court and was an assistant to the Solicitor General at the Justice Department. "I believe that those of us who practice regularly before the Court, and who thus have a unique familiarity with the Court and its work, should speak up when we believe that the Court is being unfairly attacked," he told the Duke audience. He's right.

Take the claims of unethical conduct. "Many of the allegations are transparently insubstantial," Mr. Shanmugam said, citing as an example the recent news of a \$900 gift on Justice Samuel Alito's financial disclosure. "Just last week," he said, "we had the claim that there was something nefarious about a Justice and his spouse attending a concert with a quote, 'eccentric German princess.'" The proliferation of immaterial complaints suggests some critics "are more concerned with targeting particular Justices."

He went on to discuss "two rules" that apply at the High Court. The "core ethical rule," Mr. Shanmugam said, is that Justices recuse from cases in which their impartiality is "reasonably" in question, as "assessed from the perspective of a reasonable person, not someone who presumes the Justice is acting in bad faith." Second is an obligation of financial disclosure.

Mr. Shanmugam: "In my view, in order to assert that the Court is acting 'corruptly,' critics bear the burden of showing, at a minimum, that the Court's members have been intentionally violating those rules. That is a high burden, and

A leading member of the appellate bar speaks up for the institution.

I do not believe the critics have met it." Complaints of alleged failures to recuse "largely center on the conduct not of the Justices themselves, but of their spouses." Disputes about the Justices' old disclosures of travel and "personal hospitality" reflect "genuine ambiguity about the meaning of the then-existing rules."

There's room for "healthy debate" about ethics rules, Mr. Shanmugam said, suggesting the Court might want to restrict lucrative book deals or require blind trusts. Yet this isn't what the complainers want: "It is hard to escape the conclusion that many critics' real beef is with the outcomes the current Court is reaching."

Hence the demand for term limits, which in Mr. Shanmugam's view "would surely require a constitutional amendment," despite "creative efforts" to get around the life tenure language in the parchment.

He also critiqued the "unusually toxic rhetoric" aimed at the Court from Congress, such as claims that it has an "extreme far-right MAGA majority," or if its decisions go a certain direction, Justices will "pay the price" and "won't know what hit you." That latter example we recognize as Sen. Chuck Schumer.

Mr. Shanmugam pointed to the protests at the Justices' homes, the harassment of them in restaurants, the would-be assassin who stalked Justice Brett Kavanaugh, and the violent threats that apparently had Justice Amy Coney Barrett sent home with a bulletproof vest, as she revealed this month.

He warned that such rhetoric could damage public respect for the law. "I believe we are not so far from a President saying, in the manner of Andrew Jackson, 'John Roberts has made his decision; now let him enforce it,'" Mr. Shanmugam said. "Ask yourself this question: If the Court ever has to resolve another presidential election, how confident are you that either side would simply acquiesce in the Court's decision?"

Mr. Shanmugam is taking a personal risk in publicly defending the Court, because its enemies could soon make him a target as well. But he shouldn't have to stand alone. Who else in the bar, the judiciary, and the law schools will have the courage to heed his call?

Hezbollah Gets a Pager Message

The explosion of pagers held by Hezbollah operatives across Lebanon and Syria on Tuesday is an audacious display of modern technological warfare. It's also a warning to Iran's Shiite proxy militia of the human price it will pay if it continues bombing northern Israel.

More than 4,000 were injured and 11 killed, according to Lebanon, when the pagers exploded at about the same time. The pagers were from a shipment Hezbollah had received in recent days and passed out to its members to allow communication without the vulnerability of cellphones to eavesdropping. Bad call.

Hezbollah officials told the press that the pager shipment may have been infected with malware to cause them to explode on receiving a signal. The malware could have caused the pager batteries to overheat, or perhaps there was a charge planted in the devices that could have been detonated remotely.

Lebanon's government and Hezbollah blamed Israel, which declined comment. But Occam's razor says it was an Israeli operation. Israel has shown a remarkable ability to use intelligence and technology to strike behind enemy lines. In July it killed a Hezbollah leader in Beirut, and it was almost certainly behind the assassination of Hamas leader Ismail Haniyeh in a military guest house in Tehran. It reportedly

The militia's leaders learn they're vulnerable in a war with Israel.

used a remotely controlled machine gun to kill Iran's leading nuclear scientist in 2020.

More important than the how of the attack

is the reason for it. Israel has ample cause to target Hezbollah fighters who have conducted a daily bombing campaign against Israel from Lebanon. They have fired more than 8,000 rockets and missiles at Israel since Oct. 7, forcing some 60,000 Israelis from their homes for nearly a year. The bombing has widened recently to other Israeli cities.

No sovereign state can tolerate this, and the domestic pressure on Israel's leaders to respond has been rising. On Monday the Israeli security cabinet added to its war aims the safe return of northern residents to their homes. On Tuesday Israel said it thwarted a Hezbollah plot to kill a former senior Israeli security official.

The Biden Administration has warned Israel against an escalation in Lebanon, and the risks are considerable. But Israel can't afford to let a terrorist militia backed by Iran and operating next door bomb its territory with impunity. The pager attack was discriminating, exploding in the hands and pockets of Hezbollah combatants.

In the best case, the pager operation will persuade Hezbollah leaders that their lives are at considerable risk if a broader war breaks out. They can't say they didn't get the message.

The Twilight of Justin Trudeau

A second by-election loss in a second Liberal Party stronghold should have Canada's Justin Trudeau questioning if any seat is safe. Canadians have been trying for a year to tell their Prime Minister to depart. Is he listening?

On Monday the Liberals lost one of their safest seats in Montreal to the separatist Bloc Québécois. In June they lost a safe Toronto riding to a little-known Conservative. Polls have the Liberals down by some 20 points to the Conservatives, and as much as two-thirds say Mr. Trudeau should resign. Now in his ninth year as PM, he pledges to stay.

Stepping down for Deputy Prime Minister Chrystia Freeland or climate activist Mark Carney might not reverse Liberal fortunes. Though Mr. Trudeau's charm has faded, Canadian dissatisfaction centers on the rising cost of living that Liberal policy has failed to reverse. "Rent has doubled in Canada eight years after Justin Trudeau promised to lower it," says Conservative leader Pierre Poilievre.

Rather than run again as Liberal-lite and pander with a carbon-tax proposal of their own, the Conservatives may have found a leader, in Mr. Poilievre, able to prosecute the case against Mr. Trudeau. This harder edge was supposed to make Mr. Poilievre unelectable, but his consistent economic message has resonated.

Meanwhile, the Liberals have made climate change their signature issue. Their carbon tax in-

Liberals suffer another defeat as Canadians reckon with decline.

creases the price of gasoline by some 14 cents a liter, yet Canada remains nowhere close to meeting the Liberal pledge of net-zero emissions by

2050. Even if it did, it would hardly register in the global emissions total. This has been the Trudeau experience: Pain for Canada's middle class so the Prime Minister can virtue-signal on the world stage.

Productivity has declined under Mr. Trudeau, opening a 30% gap with the U.S., and Canada's GDP per capita now trails America's by more than \$20,000. This despite a doubling of federal debt on his watch. Environmental regulations, a large capital-gains tax increase and capitulation to anti-pipeline protesters have harmed investment, especially in energy.

The Liberals have also soured parts of the country on immigration, which was once widely celebrated. Without debate, Canada grew by 1.27 million people in 2023, 98% of it from immigration, from a base of 39 million.

Rising homelessness and drug deaths have contributed to a sense of disorder, as have attacks on Jewish schools and synagogues. For many Canadians, affordable homes and social stability have come to be associated with the before times under Conservative Prime Minister Stephen Harper (2006-15).

He was less flashy than Mr. Trudeau, but as a Canadian once sang, you don't know what you got 'til it's gone.

LETTERS TO THE EDITOR**Why Washington Can 'Cure' Student Loans**

Your editorial "The Subprime Student Debt Bubble" (Sept. 14) aptly describes the practice of "curing" loans to weak borrowers, whereby the lender rolls over the loan balance (extends the maturity) when payments are due, and adds the missed payments of interest and principal into a "new" loan balance. It's a red flag when analyzing the portfolio performance of a finance company, as the practice seldom ends well. Such lenders risk write-offs, loss of enterprise value and eventual insolvency if the technique is employed too aggressively. Unfortunately, in the case of the student-loan program, the taxpayers are the ones on the hook, not the lender's shareholders.

Which raises the question: Who benefits? Some of the student borrowers managed to receive a valuable education, although many have accumulated the debt without graduating.

Others, if the recent student demonstrations are an accurate indication, appear to have used the loans to pay for indoctrination instead. Regardless, the clear beneficiaries of this tsunami of government largess have been the colleges and universities themselves, which have invested in ever-growing administrative overhead and in trendy "culturally responsive" curricula.

Imagine, for comparison, the effect on the behavior of the automobile industry if the government decided that everyone should own a new car, and established a long-term, "easy pay" loan program to subsidize and accomplish it. Wait a minute. That sounds a lot like what the government is already doing, with similar examples of misinvestment and waste. There's a lesson here somewhere.

JOHN R. NEWCOMB
Franklin, Tenn.

Communists Are Nothing If Not Law-Abiding

In her richly informative "China Expands Its Religious Repression" (Houses of Worship, Sept. 13), Collin Levy cites "37 academics, lawyers, journalists and others who signed a letter calling on the international community to insist that China live up to its human-rights commitments." Unfortunately, China is doing just that.

As with all communist constitutions, China's basic law lists rights we in the West take for granted. But at the end of that list is a general defea-

tance clause: "Citizens of the People's Republic of China, in exercising their freedoms and rights, may not infringe upon the interests of the state, of society, or of the collective." And who determines that? Why, the Chinese Communist Party, China's real government.

Fidel Castro put it succinctly: "Within the revolution, everything. Against the revolution, nothing."

China's religious repression is "lawful."

ROGER PILON
Senior fellow, Cato Institute
Washington

You Say You Want an 'Intifada Revolution'

In "Why Anti-Zionism Is Antisemitic" (op-ed, Sept. 3), Rebecca Cypess describes anti-Zionism as "opposition to the Jewish right of self-determination in the Jewish people's historic homeland." This seems to me to be beyond the point.

One may very well have opposed Zionism and the founding of the Jewish state back in the day, but Israel now has existed for more than 75 years, with several generations born there since its founding. Not inconsequently, it is a substantially rights-respecting country—something that can't be said for any of its neighbors.

The question to ask of the excited protesters taking over university quadrangles and city streets, railing

against Zionism, isn't whether Israel should have been founded, but whether it should now be destroyed. If the question is answered in the affirmative, then what is their plan?

Is it to send all the millions of Israeli Jews back to the countries—not only in Eastern Europe but also Iraq and Yemen—where they haven't lived for generations and which wouldn't accept them anyway? Or would the matter of Israel's Jews be left up to the destroyers, such as Hamas, Hezbollah and Iran? We know what their solution is: Kill the Jews.

It is time to confront the protesters with the question and hear them answer it.

MARK SCHILLER
Arnold, Calif.

Airbnb Won't Lower New York's Hotel Prices

The editorial decrying New York City's short-term rentals law ("How Not to Make Housing Affordable," Sept. 9) blames higher hotel room rates and increasing rents on the expulsion of Airbnb and similar operators from the city. By far the largest effect on hotel room rates in the city over the past year, however, has been from the migrant crisis, which has required nearly 20% of available rooms to be used as shelters. This, plus the loss of thousands of rooms due to Covid-related closures of hotels, has reduced supply during a time of increased demand—all driving up cost.

Allowing short-term rental companies to operate unfettered in apartment buildings won't solve this problem. Many buildings have privately banned such rentals due to concerns from residents, so the effect on supply would be limited. Also, as the Journal has reported, short-term rental prices have increased by nearly 20%. Costs are up everywhere. Nevertheless, New York hotel prices (in real terms) and occupancy remain below pre-Covid levels, unlike its competitors in Paris, London and other international gateway destinations.

Take Aim at All Candidates

In "Knowns and Unknowns of the Harris-Trump Debate" (op-ed, Sept. 12), Matthew Hennessey succinctly nails why I value my Journal subscription and what is sorely missing in today's hyperpartisan environment. Objective and clear-eyed critique of all candidates is critical to selecting the most competent persons to lead our country. Americans seem too willing to overlook character defects and flawed policies in a quest to gain or retain power. We can and should expect more from our presidential candidates and all elected officials.

LARRY SENOUR
Doylestown, Pa.

Similarly, increasing rents in the city have nothing to do with the short-term rental law. Higher rents are mostly due to a razor-thin apartment vacancy rate of 1.4%. It is far more likely that the law has kept rents from increasing even more. If the law were repealed, thousands of units would effectively become businesses—not homes—removing them from the market.

VIJAY DANDAPANI
President, Hotel Association of NYC
New York

After Intellectual Disability

"Having a Child With Down Syndrome Changed the Way I Think About IQ" (Review, Sept. 7) sparks memories of those early years as the mother of a daughter with an intellectual disability. Unlike Pepper Stetler, we didn't have the advantage of knowing our daughter's diagnosis at birth. When developmental milestones lagged, we eagerly focused on ways we could get her to "catch up."

Though we never formally measured her IQ, we began to recognize that she has many unique gifts that bring others joy. We understand our role in her life is ultimately to love her. Far from "giving up on her," the world has embraced her. As Ms. Stetler writes, "intellect" is just a number and only a part of our being.

MIRANDA THORPE
Redmond, Wash.

Pepper ... And Salt

THE WALL STREET JOURNAL



"If you get our rewards card, you'll save on hundreds of items you don't need."

CORRECTION

Eric Hovde's father, Donald, died in 2002. The year was misstated in the Sept. 14 op-ed "Can Eric Hovde End Tammy Baldwin's Streak?"

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

OPINION

How Biden Let Europe Slip Away

By A. Wess Mitchell

The Biden administration hasn't been good for the trans-Atlantic alliance. This might seem a surprising claim, given that Joe Biden's team and Kamala Harris' campaign have touted improved U.S.-European ties as their greatest foreign-policy achievement. To be sure, the administration has devoted greater attention to Europe than any other region and shifted U.S. policy toward European Union preferences on a range of issues, from the Iran nuclear deal to the Paris climate accord. But after 3½ years, there is surprisingly little to show in tangible benefits for the U.S.

On trade, defense and energy, Washington has failed to shore up the trans-Atlantic alliance.

Take trade diplomacy. Mr. Biden's team insisted it would chart a new course with the EU after tit-for-tat tariff exchanges under Donald Trump. What we got instead was an incrementalist approach that has done little to address U.S. concerns about European protectionism while handing regulatory wins to Brussels and failing to create a unified front against Chinese mercantilism.

The centerpiece of the administration's approach was a new entity called the Trade and Technology Council. A brainchild of the European Commission, its nominal purpose was to compartmentalize areas for agreement after years of failed attempts to create a comprehensive trans-Atlantic free-trade agreement. By its very existence, the Trade and Technology Council favored Brussels because it took the EU's longstanding goal of regulatory convergence as a given and framed the agenda as a search for that convergence.

From the earliest meetings, it

was apparent this wouldn't be a forum for achieving what is America's, and should be Europe's, top strategic aim in trade—to end Chinese dumping and foil Beijing's efforts to dominate emerging technologies. Instead, the Trade and Technology Council has focused on scoring easy political wins like shared standards for powering electric vehicles and telecommunication projects in the developing world. Real problems—such as electric-vehicle subsidies, the EU's new Digital Markets Act, and its carbon tax on U.S. imports—were pushed to the sidelines.

Where Mr. Biden's commercial diplomacy has produced results, they've tended not to favor U.S. interests. Under the Trade and Technology Council's road map for artificial intelligence, Washington embraced Brussels' "risk-based approach" of placing upfront restrictions on new technologies before they've even been developed. This encumbers American innovators with constraints that Chinese counterparts don't have to worry about.

The administration also agreed to a global minimum tax, long sought by the EU, which penalizes U.S. companies while giving a pass to Chinese state-owned enterprises. An EU-U.S. data-privacy framework places new restrictions on U.S. intelligence-gathering while arguably giving Europeans greater protection than Americans under U.S. law.

The Biden administration punted on the most contentious trade disputes. It negotiated a truce in the fight over aircraft subsidies and implemented a temporary quota system to replace Mr. Trump's tariffs on European steel and aluminum exports. Both are set to expire in early 2025 and will land in the lap of the next president.

Mr. Biden lambasted Mr. Trump for a supposedly soft approach to Russia—and then sought the equivalent of an Obama-style "reset" with



DAVID KLEIN

Russia. Mr. Biden waived sanctions on the Nord Stream 2 pipeline, slow-rolled military aid to Ukraine, and pursued a presidential summit with Vladimir Putin while keeping Volodymyr Zelensky at arm's length. These moves, combined with the catastrophic U.S. withdrawal from Afghanistan—which, as a recent House report found, left European allies high and dry—probably helped convince Russian leaders that conditions were ripe to attack Ukraine.

After the invasion, many North Atlantic Treaty Organization allies increased defense spending. But the Biden administration did little to seize the best chance since the Cold War to institutionalize greater European seriousness about security. Germany is backtracking on its pledge without any apparent response from Washington.

Promises by Western European allies to move brigade-sized units to NATO's eastern flank—so the U.S. can focus more on the Middle East and Asia—have gone unfulfilled. A recent Center for Strategic and International Studies report found

that NATO remains reliant on U.S. nuclear forces to "expel, not repel," an attack. And Mr. Biden's cautious approach to arming Ukraine has kept Kyiv from gaining an upper hand on the battlefield.

Energy security is also suffering. The Ukraine war was the Biden administration's chance to reorient Europe from Russian gas while boosting U.S. natural-gas exports. While making a show of promoting gas exports to Europe, the administration froze permitting for 17 liquefied natural-gas terminals and introduced domestic tax incentives that encourage the production of wind and solar over fossil fuels. While green-lighting Nord Stream 2, the largest conduit of carbon-emitting gas in modern European history, the administration helped kill the EastMed pipeline, which would have brought Israeli gas to Europe via Cyprus and Greece to alleviate the shortages created by the Ukraine war.

The administration might say this list doesn't account for the good vibes between Mr. Biden and his European counterparts. But the

love affair has mainly been with Brussels, Berlin and, to a lesser extent, Paris. It hasn't applied to the U.K. Mr. Biden halted talks on a U.S.-U.K. free-trade deal, tacitly backed the EU against the U.K. in talks over Northern Ireland, and helped engineer the defeat of London's preferred candidate for the NATO secretary-general job. The administration seemed to go out of its way, at least until the new Labour government was elected, to damage the special relationship.

Tilting toward EU positions hasn't gained the U.S. special favors in Brussels, and new disputes have taken root. EU leaders were incensed that the administration didn't consult them before subsidizing U.S. electric vehicles and other green technologies under the Inflation Reduction Act. As Mario Draghi's recent report to the commission makes clear, the discussion in Brussels now is about how to keep the U.S. from racing ahead in clean technologies. The result is likely to be dueling trans-Atlantic industrial policies that drive up prices across the West and make it harder to combine forces against China.

In trade, defense, energy and industrial policy, the Biden administration has missed opportunities. Mr. Biden's term coincided with a significant increase in Russian aggression and Chinese preparation for war, which presented a once-in-a-generation opportunity to galvanize a more unified and capable Western alliance. Instead of capitalizing to improve U.S. and European security and prosperity, the Biden administration pursued near-term bonhomie and neglected policies to address the real dangers facing the West.

Mr. Mitchell is a former assistant secretary of state for European and Eurasian affairs and a principal at the Marathon Initiative.

A Hilarious New Film Asks: 'Am I Racist?'



Robin DiAngelo, author of the bestselling "White Fragility" and a leading authority on diversity, equity and inclusion, doesn't want you to see "Am I Racist?," a new documentary about the DEI industry.

If you see it anyway, which I strongly recommend, you'll understand her objections. You'll also laugh a lot.

Before the film's theatrical release last week, Ms. DiAngelo posted a statement on her website that accused the star, Daily Wire podcaster Matt Walsh, of promoting racism. But my guess is that her real objection to the movie is that it's bad for business. Ms. DiAngelo has made a good living charging schools, government agencies and Fortune 500 companies tens of thousands of dollars to give speeches and host workshops on "antiracism."

In "Am I Racist?," Mr. Walsh poses as a liberal activist who is earnestly and hilariously seeking

the counsel of unsuspecting DEI experts. He reveals how much they charge for their services—Ms. DiAngelo received \$15,000 for about two hours of her time—and the kind of gobbledegook advice clients get in return. To his credit, Mr. Walsh's approach isn't mean-spirited or adversarial. He poses straightforward questions and lets his interlocutors discredit themselves. Along the way, the DEI industry is revealed to be something of a racket, and such proponents as Ms. DiAngelo look like highbrow grifters.

The objections of Ms. DiAngelo notwithstanding, however, Mr. Walsh's movie is performing a public service. Of late, more companies have been willing to jettison their DEI policies, and more states are moving to restrict such initiatives at public colleges and universities. "Am I Racist?" could encourage those trends, which would be a good thing because there is little evidence that making racial differences more salient on campus, in the workplace or anywhere else helps anyone other than people who earn a living as DEI advocates.

Sociologists Frank Dobbin and Alexandra Kalev reached a similar conclusion in a 2018 academic paper. They noted that "hundreds of studies dating back to the 1930s suggest that antibias training does not reduce bias, alter behavior or change the workplace." According to the authors, "two-thirds of hu-

man resources specialists report that diversity training does not have positive effects, and several field studies have found no effect of diversity training on women's or minorities' careers or on managerial diversity."

Even diversity officials in higher education have had second thoughts about how DEI policies are implemented. Tabia Lee, a DEI administrator who in 2023 was fired from her position at De Anza Community College in California after less than two years on the job, explained what DEI initiatives in the academy amounted to in practice.

"On paper, I was a good fit for the job. I am a black woman with decades of experience teaching in public schools and leading workshops on diversity, equity, inclusion and antiracism," she later wrote. "My crime at De Anza was running afoul of the tenets of critical social justice, a worldview that understands knowledge as relative and tied to unequal identity-based power dynamics that must be exposed and dismantled. This, I came to recognize, was the

unofficial but strictly enforced ideological orthodoxy of De Anza—as it is at many other educational institutions."

The genius of the civil-rights movement was its advocacy for colorblind policies and a universal standard of conduct. By contrast, today's diversity experts want all of us, white and nonwhite, to fixate on our ethnic identities, to obsess over accidents of race and gender and sexual orientation morning, noon and night. For them, human relations boil down to nothing more than group power structures—you are either an oppressor or a victim. They argue, as Ibram X. Kendi has, that the "only remedy to past discrimination is present discrimination" and the "only remedy to present discrimination is future discrimination."

But if your main focus isn't ending racial bias but merely changing the color of the person on the receiving end, you aren't seeking justice. You're seeking payback. You're prolonging racial tensions. And as Mr. Walsh's timely documentary makes clear, you're part of the problem.

80 Years Later, Are We Still on 'The Road to Serfdom'?

By Rainer Zitelmann

Friedrich Hayek submitted "The Road to Serfdom" to three American publishers, each of which rejected it. A friend connected him with the University of Chicago Press, and his book was finally published in the United States on Sept. 18, 1944. The initial print run was 2,000 copies. No wonder, as who would expect American readers to be interested in a book written in response to the ideas of the British economist and politician William Beveridge?

A year later, however, Reader's Digest published a condensed version and distributed it to millions

of households. "The Road to Serfdom" has since been translated into 20 languages and sold several million copies.

Hayek had struck a nerve. In the 1940s, state interventionism was on the rise in Europe and the U.S. As today, the prevailing belief was in aggressive government intervention in the economy, high taxes and strict regulations. There was a misconception among intellectuals that National Socialism was a form of capitalism. In 1939, the philosopher Max Horkheimer, co-founder of the Frankfurt School, said: "But whoever is not willing to talk about capitalism should also keep quiet about fascism."

Hayek later explained that his book was primarily addressed to those among the British socialist intelligentsia who saw Nazism as a reaction to classical socialist trends. In reality, it was a necessary outcome of those tendencies.

Socialists in those days avoided describing Hitler's movement and system as "National Socialism" to deny the intellectual affinity between socialism and Nazism. Today, we know—although Hayek couldn't have known at the time—that Hitler developed a growing admiration for the Soviet Union's planned economic system.

In 1942 Hitler defended the Soviet planned economy to his inner circle: "One has to have unqualified respect for Stalin. In his way, the guy is quite a genius . . . and his economic planning is so all-encompassing that it is only exceeded by our own Four-Year Plan. I have no doubts whatsoever that there have been no unemployed in the U.S.S.R., as opposed to capitalist countries such as the U.S.A."

In July 1941, Hitler said: "A sensible employment of the powers of a nation can only be achieved with a planned economy from above." And: "As far as the planning of the economy is concerned, we are still very much at the beginning and I imagine it will be something wonderfully nice to build up an encompassing German and European economic order." Statements like these confirm Hayek's basic thesis.

In 1971, Hayek emphasized that the primary focus of his book was classical socialism, which aimed to nationalize the means of production. But National Socialism, in economic terms, can be seen as a precursor of modern socialism. Unlike classical socialism, modern socialism no longer seeks to nationalize

Hayek saw in 1944 that the loss of economic freedom often leads to the denial of other freedoms.

the means of production but instead maintains the facade of private property rights. But the concept of private property is steadily eroded, rendering it a mere legal formality without true substance. This shift results in entrepreneurs becoming increasingly subject to state control and direction.

In a speech in May 1937, Hitler described this philosophy: "I tell German industry for example, 'You have to produce such and such now.' I then return to this in the Four-Year Plan. If German industry were to answer me, 'We are not able to,' then I would say to it, 'Fine, then I will take that over myself, but it must be done.' But if industry tells me, 'We will do that, then I am very glad that I do not need to take that on.'

Hayek's book presents a second important thesis: The loss of economic freedom precedes the loss of intellectual and political freedom. Critics who dispute his concerns point to the U.K., which after World War II introduced extremely high taxes and nationalizations. Although the economic consequences were disastrous—and reversed only decades later by Margaret Thatcher, who greatly admired Hayek—there was no loss of political freedom.

The critics are onto something. The loss of economic freedom doesn't necessarily or immediately lead to the loss of political and intellectual freedom. But Hayek was more right than wrong. Look to the recent example of Venezuela, which lost economic freedom first. Political freedom disappeared next.

It's clear how relevant Hayek's warnings remain today. Economic freedom—unlike in the 1980s and '90s—is in retreat. Faith in "industrial policy" has come to dominate in China, the U.S. and Europe. At the same time, intellectual freedom is under threat as proponents of a woke ideology strive to politicize all of life. Mathematics is now considered "racist" by some, while freedom of speech is under threat. Opponents of economic freedom often oppose intellectual freedom as well.

Mr. Zitelmann is the author of "Hitler's National Socialism."

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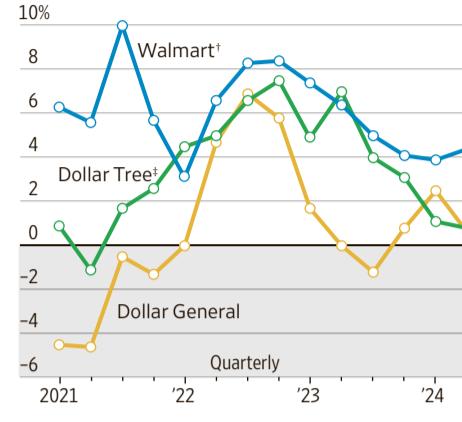
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Dollar Stores Expand, Defy Woes

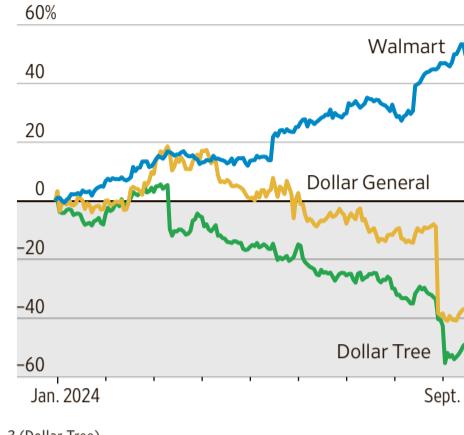
Same store sales, change from a year earlier*



*Latest fiscal quarter ended July 26 (Walmart), Aug. 2 (Dollar General), Aug. 3 (Dollar Tree)

†Excludes gas; includes Sam's Club. ‡Includes Family Dollar

Share-price performance, year to date



Source: FactSet



Dollar stores such as Dollar General are at a strategic disadvantage with e-commerce.

Cigna Sues FTC Over Criticism of Drug Costs

By ANNA WILDE MATHEWS

One of the country's biggest pharmacy-benefit managers, **Cigna Group's** Express Scripts, sued the Federal Trade Commission, demanding a retraction of a recent report critical of the companies that negotiate drug spending.

In the lawsuit, Cigna's Express Scripts pharmacy-benefit managers, or PBMs, which play

a critical role in paying for drugs.

It comes after The Wall Street Journal reported the FTC is preparing to sue the largest PBMs over their tactics for negotiating prices for drugs including insulin.

The FTC said it stands by its study. "Just three companies control nearly 80% of the market that millions of Ameri-

cans must use to purchase necessary drugs at high costs," an agency spokesman said. "This is a complicated and opaque market, and the FTC is committed to using its clear authority to help the public and policymakers understand it."

The companies are supposed to bring down the cost of medicines by negotiating with drug manufacturers and

pharmacies, but the FTC said in its report that they sometimes steer patients away from less-expensive medicines and overcharge for cancer therapies.

Health insurers and employers hire PBMs to control spending on medicines. But some patients, pharmacists and lawmakers have attacked

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UAW's Fight With Stellantis Over Jobs Escalates

By CHRISTOPHER OTTS

The United Auto Workers is once again taking aim at the Jeep maker, **Stellantis**, after threatening to go on strike at the company's U.S. factories over delays in reopening an idled plant in Illinois and other points of contention.

UAW President Shawn Fain, talking to members Tuesday evening, said the union was taking the next steps to prepare for a work stoppage, including a completion of the grievance process and having some UAW locals take strike-authorization votes. While those votes don't lead to immediate action, they indicate members' support for a walkout.

"We're preparing to take actions on Stellantis to enforce our contract and make this company keep the promise they made to the American people," Fain said in a live video address.

Tensions with the company continue to escalate less than a year after the signing of a new labor deal that ended a six-week strike.

In recent weeks, the union has accused Stellantis of trying to shift some SUV production outside the U.S. and criticized Chief Executive Carlos Tavares over reductions in factory jobs. It also alleges that the company has failed to live up to commitments made in the 2023 contract agreement.

Stellantis, which is confronting restless dealers and a pileup of unsold cars in the U.S., has denied violating its labor contract with the UAW and said the union would have no basis to strike.

The clash comes as auto-

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Alaska Air-Hawaiian Airlines Deal Cleared By U.S. Regulators

By ALISON SIDER

Alaska Air and **Hawaiian Airlines** secured clearance from the Transportation Department to go ahead with their merger, conditioned on the airlines maintaining service on key routes, preserving the value of frequent-flier miles and other customer service guarantees.

Alaska agreed to acquire Hawaiian in a roughly \$1 billion deal late last year. The Justice Department last month completed its review of the merger and didn't challenge it on antitrust grounds.

The Transportation Department, which is charged with determining whether the proposed acquisition is in the public interest, is taking what it described as a more-proactive approach to securing consumer-protection commitments before signing off.

Alaska said the commitments aligned with what it had already planned to do

and that the carriers expect to close their transaction in the coming days.

The

combined airline will have to maintain current levels of service for critical routes between the Hawaiian islands as well as along key routes between Hawaii and the continental U.S. The Transportation Department also required the airlines to avoid diluting the value of their frequent-flier miles, a practice the regulator is scrutinizing as it investigates major airline loyalty programs.

Hawaiian Chief Executive Peter Ingram is set to step down after the deal is finalized. Joe Sprague, who currently serves as Alaska's regional president for Hawaii/Pacific, will be named Hawaiian's CEO until the two airlines are allowed to operate as one.

The department is requiring that Hawaiian join Alaska in providing travel credits or

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A Decade After 'Lean In,' Progress for Women Still Lags

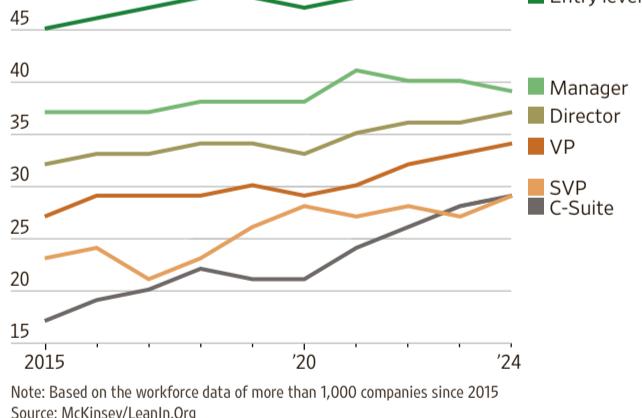
By VANESSA FUHRMANS

Women hold more of the top jobs in companies than ever before, but they lag behind men on crucial early promotions into management—holding them back from greater power at work.

That is one of the central findings of a new, 10-year study of the roles and promotion rates of millions of women and men at major North American companies. After all the public efforts to advance women at work, most C-suite promotions put women in positions, like human resources and marketing, that don't lead to the CEO job. Now as company programs designed to diversify workforces face questions about fairness, sustaining the progress could get tougher.

The share of women in the lowest—and much larger—managerial ranks has grown by just 2 percentage points from a decade ago, to 39% from 37%, and slightly more among middle managers, according to researchers at

Share of women in roles across the corporate pipeline



Note: Based on the workforce data of more than 1,000 companies since 2015

Source: McKinsey/LeanIn.Org

especially as they retreat from some of the measures they implemented in recent years to narrow the gender gap.

"The ability to grow talent from the entry-level up to senior leadership is one of the most fundamental challenges companies still haven't gotten their hands around," said LaReina Yee, a senior partner at McKinsey.

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Progress For Women Still Lags

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The number of employers who said gender diversity was a high priority fell to 78% this year from 87% in 2019, according to the study—consistent with a broader pushback against corporate diversity programs. Gender-focused recruiting initiatives fell by nearly a third from 2022. So did the share of companies offering sponsorship programs aimed at helping rising female talent find senior executives who can champion them for bigger roles.

Research shows those sponsorship opportunities for women make a big difference, Yee said. With companies backtracking, she asks: "How do you think that's going to go?"

When "Lean In," Sandberg's 2013 handbook for working women, came out, it started a conversation across businesses about boosting female representation, and results. Companies set female promotion and recruiting goals, expanded parental benefits and warmed to flexible work.

They also cultivated more female leaders; 40 women led S&P 500 companies at the end of last year, according to executive-search firm Spencer Stuart, compared with 21 in 2015.

The lopsided progress since then means companies can't lose their focus on continuing to support women in their career ambitions, said Sandberg, who left her role as chief operating officer of Facebook parent Meta Platforms in 2022.

That the gender gap in workplaces persists "shows it's going to take a very concerted effort to fix it," she says. "Women are doing their part, and we need companies to do their part."

'Women are doing their part, and we need companies to do their part.'

suite rose to 29% from 17% in 2015, while the share of women of color climbed to 7%. Many of those senior women have been elevated in staff roles, particularly chief HR officers, not as division heads with bottom-line responsibilities, the study data show. Those business-operating jobs, traditional steppingstones to becoming chief executive, continue to be filled mostly by men.

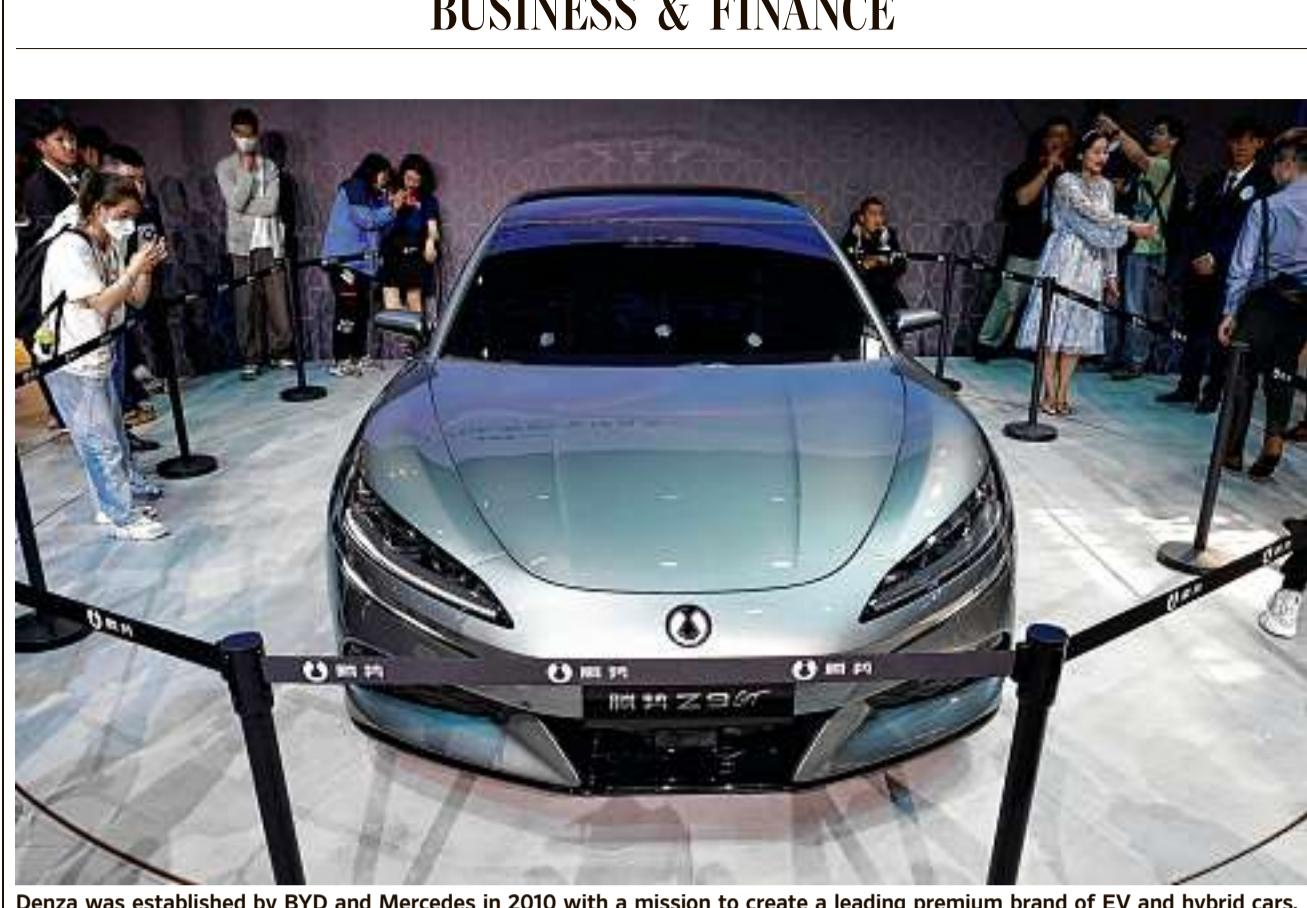
Without methodical efforts to identify and groom women for positions with the most power, companies will continue to face a shortage of women in leadership roles, said Jane Edison Stevenson, global vice chair of board and CEO services at executive-recruitment and consulting firm Korn Ferry.

"What will make the biggest difference? It is women in operating roles as soon as possible in their careers," said Stevenson, who points to General Motors as a case in point.

Under Mary Barra, who became the first woman to run a global automaker in 2014, about 36% of GM's top managers are now women, including its executive chief engineer for battery electric trucks, head of trucks for North America and global system safety director.

The Lean In and McKinsey data show women tend to fall behind men in their career progress at the very first promotion opportunity. About eight women get their first promotion to manager for every 10 men—virtually the same rate they did in 2018. Promotion rates for women of color—which briefly surged as companies redoubled racial-diversity commitments after George Floyd's 2020 murder—are worse than for white women.

That may be one reason a Census Bureau report last week showed women working full time experienced 1.5% in median-income gains last year, half the increase for men. The difference drove the female-to-male earnings ratio down to 82.7%, compared with 84% a year earlier, marking the first statistically significant decrease in two decades.



Denza was established by BYD and Mercedes in 2010 with a mission to create a leading premium brand of EV and hybrid cars.

Mercedes-Benz Sells Off Stake In Chinese EV Maker to BYD

BY JIAHUI HUANG

Mercedes-Benz Group unwound a bet on China's electric-vehicle market, selling its remaining 10% stake in premium EV and hybrid maker Denza to BYD in the wake of disappointing sales locally.

The decision adds to challenges facing Mercedes, which has struggled to make inroads in what for years had been one of the world's fastest-growing auto markets. Luxury spending in China has taken a hit from the downturn in its property sector and a lackluster economy.

At the same time, an inten-

sifying price war among Chinese EV makers has led to a loss of market share for foreign automakers, with **Porsche**, **Ferrari** and **BMW** all reporting reduced sales in China earlier this year. There are also signs that the technological edge enjoyed by foreign automakers in China is being blunted, with Chinese EV producers spending more on developing in-car software and autonomous-driving systems that have proven to be popular with mainland consumers.

Against this backdrop, Mercedes in July cut the outlook for its mobility business, citing its difficulties in China and

higher costs of charging infrastructure. The company has faced headwinds elsewhere, including trade tensions between Europe, China and the U.S., which have driven profits lower in recent quarters.

Denza was established by BYD and Mercedes in 2010 with a mission to create a leading premium brand of EV and hybrid cars. Each company initially held a 50% stake, but Mercedes lowered its interest to 10% in 2021 in a transaction with BYD.

"Denza has officially started the new era of fully owned by BYD," the Chinese company said Tuesday.

BYD has emerged as a national champion within China's auto manufacturing sector, expanding to several markets overseas where it competes with companies including Mercedes and Tesla.

BYD has signaled that it is committed to Denza, which has sold more than 200,000 units of its D9 model in the period after Mercedes first cut its stake in the venture. Denza's new four-door EV and hybrid Coupe Z9 GT is scheduled for a Sept. 20 launch. List prices for the new vehicle range between 339,800 yuan and 419,800 yuan, equivalent to \$47,800 to \$59,180.

Stellantis, UAW Fight Escalates

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makers are adjusting to a changing U.S. car market that is now starting to come down from postpandemic highs. The availability of new-car stock is rising, putting downward pressure on pricing and leading car companies to spend more on profit-damaging discounts.

In the last round of contract talks, the UAW won a major victory. Stellantis agreed to reopen its assembly plant in Belvidere, Ill., which used to build the Jeep Cherokee and went dark in early 2023. Stellantis has committed to building a

midsized truck at the factory and establishing a vehicle-parts hub there, although those plans have since been delayed.

Fain, the union's outspoken leader, in late August threatened to have members walk off the job over delays at the Illinois plant, saying Stellantis is backpedaling on its investment commitments.

On Tuesday, he said there is a multistep process under the current contract that the union has to complete before it can legally strike any plants. The last step would be meeting with the company several times to try to come up with a resolution.

Stellantis, which also owns Ram, Dodge and Chrysler, has argued that it has the right to adjust its factory plans, pointing to language in the union contract that gives it flexibility to make changes based on "market conditions" and other

factors.

The car company is coming off a highly profitable period in North America, where a lack of inventory helped keep buyers paying high prices for new vehicles.

As interest rates climbed and the new-car shortage has eased, Stellantis's profit margin has slipped in the region. Within the past year, it has taken steps to trim its workforce, including the disclosure of plans to cut up to 2,450 UAW-represented workers at a truck plant in Warren, Mich., last month.

The automaker's share of the U.S. market fell to 8.5% in the first six months of the year from 10.4% a year earlier, according to Cox Automotive. In July, Stellantis said it would start making price adjustments and pull back on factory production by about 100,000 vehicles.

Dealers have urged Stellantis to spend more money on financing deals and rebates to clear out bloated inventory. In a recent open letter, members of the company's dealer advisory council blamed Tavares for the company's problems in North America.

Fain, a former electrician at Chrysler who was elected president in 2023, has also taken aim at Tavares, criticizing the executive's nearly \$40 million pay package last year.

"The problem isn't the little guy at the bottom; it's the big man at the top," Fain said in a video released in August.

On Monday, several UAW locals filed grievances against Stellantis with the National Labor Relations Board, saying Stellantis had plans to move factory work on the Dodge Durango outside the U.S.

—Ben Glickman contributed to this article.

Watch a Video: Xbox Lost the Console War—Now It's Redefining Gaming.



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Cigna Sues To Retract FTC Report

Continued from page B1

the companies, saying they profit from the complexity of the drug business.

The FTC issued its report after a two-year investigation of PBM business practices, though it was framed as interim findings from the probe.

States have also been examining the companies.

PBMs say they pass along to health plans and employers the discounts and other savings they negotiate and as a result, hold down spending. The firms blame pharmaceutical companies for high drug prices. They called the FTC report flawed.

In the lawsuit, Express Scripts said the FTC violated the company's constitutional right to due process and exceeded its statutory authority in releasing a report that included false and unsupported conclusions based on a biased

process.

The company also said it had been defamed, claiming that the FTC largely ignored extensive documents that Express Scripts produced and instead relied "overwhelmingly" on information cherry-picked from public sources and anonymous comments to fit the Commission's predetermined narrative that PBMs drive up drug prices and disadvantage independent pharmacies."

Andrea Nelson, chief legal officer of Cigna Group, said the goal of the suit was to have the report retracted. The complaint asks the court to issue

ad COUNCIL

BUSINESS NEWS

U.S. Steelmakers Forecast Profit Drop

By BOB TITA

U.S. steelmakers projected lower quarterly profits, as automotive companies and equipment manufacturers dial down production.

Charlotte, N.C.-based **Nucor** said Tuesday that lower demand for steel in a weakening manufacturing sector and falling sales of its steel construction materials would result in a roughly 80% decline in third-quarter profit, including one-time charges, from the same quarter last year. Indiana-based **Steel Dynamics** late Monday forecast lower quarterly profit as well, describing earnings from its steel business as being "meaningfully lower" from the prior quarter because of weak demand and lower steel prices.

Steelmakers have been struggling this year against a slump in U.S. manufacturing that is cutting into demand for the flat-rolled sheet steel that

makes up the bulk of steel companies' output.

Higher interest rates, rising operating costs, a strengthening U.S. dollar and lower selling prices for commodities are damping activity at factories across the country. Executives for makers of long-lasting items such as cars, crop-harvesting combines and washing machines are projecting challenging business conditions for the remainder of the year.

Weakening demand has created a shaky steel market, though the spot market price for sheet steel has risen from its recent low during the summer. S&P Global Commodity Insights on Monday reported hot-rolled sheet steel selling for \$700 a ton, up about \$20 from a month earlier. Steelmakers made unsuccessful attempts over the summer to push prices above \$700.

Steel imports to the U.S. have been rising this year as

foreign steel producers export more steel to offset lower demand in their home markets. Nucor and other U.S. steelmakers complained this summer that steel from China is eluding U.S. tariffs by entering the country from Mexico, which is allowed to send products into the U.S. without tariffs under a trade agreement between the U.S., Mexico and Canada.

Nucor, the largest U.S. steelmaker by sales and volume, said Tuesday that profit for its quarter ending Sept. 28 will be lower from the second quarter and down from a year earlier. The company attributed the decline to lower prices for steel during the quarter as customers held down purchases

amid weakening production in automotive, farm-equipment and other manufacturing.

Nucor supplements its steel sales by selling steel building products, such as floor joists,

roof panels and overhead doors for warehouses and factories. Demand was strong for Nucor's construction production after the worst of the Covid-19 pandemic, but higher interest rates in recent quarters have driven up costs for construction projects, pushing down sales of Nucor's building products.

Nucor said it expects third-quarter profit of 87 cents to 97 cents a share, down from \$4.57 a share in the same quarter last year and \$2.68 a share in the

80%

Approximate decline in third-quarter profit that Nucor expects from a year earlier.

second quarter. Stripping out \$123 million in one-time items, adjusted earnings are projected at \$1.30 to \$1.40 a share. Analysts polled by FactSet had been forecasting \$1.81 a share.

Steel Dynamics said Monday that it expects third-quarter profit in a range of \$1.94 to \$1.98 a share, down from \$3.47 a share in the same quarter last year and \$2.72 a share in the second quarter this year.

The company said it expects improving volumes in 2025, based on early order activity.

Steel Dynamics said it anticipates U.S. infrastructure spending and factory construction, along with lower interest rates, to push up demand for its building products and flat-rolled steel.

Nucor shares fell 0.6% Tuesday, to \$142.18, while Steel Dynamics shares gained 3.1%, to \$114.49.

—Dean Seal contributed to this article.

Philip Morris to Take Loss On Unit Sale

By DEAN SEAL

Philip Morris International expects to take a \$220 million loss on the sale of its inhaled-therapeutics unit to Molex Asia Holdings as it retools its pharmaceutical business.

The tobacco giant said its pharmaceutical subsidiary, Vectura Fertin Pharma, agreed to sell its Vectura Group business to Molex and establish master service agreements to develop Vectura Fertin's inhaled therapeutics proprietary pipeline. The deal calls for an upfront cash payment of 150 million pounds, or \$198 million, and up to £148 million in deferred payments based on the achievement of certain milestones through 2039.

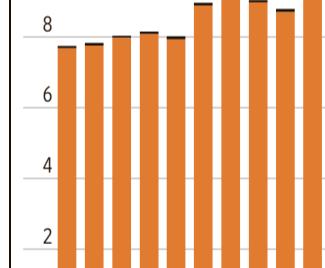
Philip Morris disclosed in a securities filing that it expects to record a loss of about \$220 million associated with the sale during the third quarter. The deal is expected to close by the end of the year.

The company acquired Vectura Group, which specialized in inhaled medicines, in 2021 for \$1.24 billion in cash and folded it into two other recently acquired pharmaceutical firms as part of Philip Morris' push to expand beyond tobacco and nicotine.

The company says "unwarranted opposition" to its transformation affected Vectura Group's engagement with the scientific community and its commercial relationships.

With the sale, Vectura Group will be operated by Molex's Phillips Medisize, a maker of drug delivery systems. The remaining units of Vectura Fertin Pharma will continue to operate under a new corporate identity and develop oral consumer health and wellness offerings, as well as inhaled prescription products for pain management and cardiovascular emergencies.

Philip Morris International quarterly revenue



Source: S&P Capital IQ

Musk Vows to Sue as SpaceX Faces FAA Fines

By MICAH MAIDENBERG

Elon Musk said SpaceX would sue the Federal Aviation Administration after air-safety regulators alleged the company violated rocket-launch regulations during two flights and proposed fines.

The FAA said Tuesday it is seeking about \$633,000 for three alleged violations during two SpaceX launches last year.

Musk, the company's chief executive and founder, responded on X saying "SpaceX will be filing suit against the FAA for regulatory overreach."

The FAA declined to comment.

Tensions have been rising between SpaceX and the agency, which oversees commercial-rocket launches and re-entries of spacecraft as part of its mandate to ensure safe operations in U.S. airspace.

SpaceX has been blasting off rockets, usually its mainstay Falcon 9 vehicle, at record rates for outside customers and its own needs. It is violating a federal workplace law when the company fired workers who circulated a letter criticizing Musk.



SpaceX has been blasting off rockets, usually its mainstay Falcon 9, at record rates for outside customers and its own needs.

SpaceX of violating a federal workplace law when the company fired workers who circulated a letter criticizing Musk.

"I am highly confident that discovery will show improper, politically-motivated behavior by the FAA," Musk posted on X.

The FAA said earlier Tuesday that during a commercial satellite launch from the Kennedy Space Center in Florida in July 2023, SpaceX used a new rocket-fuel facility the agency hadn't approved for operational use at the time.

This year, SpaceX sued the National Labor Relations Board. That lawsuit came after an agency official accused

materials at its site at the Kennedy property, the FAA said.

For a commercial satellite flight in May 2023, SpaceX used a launch-control room at its site on the Space Force launch area in Florida that the FAA hadn't approved, according to the agency. The FAA said the company didn't conduct one prelaunch poll, as it had done previously.

SpaceX had similarly sought to revise a communications plan to reflect those changes, the FAA said.

The company has 30 days to respond to the claims after it gets enforcement letters from the FAA. The agency in

early 2023 assessed it a \$175,000 fine after the company allegedly failed to provide launch-related data ahead of a 2022 satellite mission, the first such penalty the FAA sought from SpaceX. The company paid the fine, according to the FAA.

SpaceX recently increased criticism of the FAA and regulatory processes that the company says are slowing its progress in developing new, higher-powered rockets and spacecraft. Last week, SpaceX said the next test flight of its Starship vehicle wouldn't occur until late November, instead of

in September, because the FAA sought more time related to assessing environmental effects. "This delay was not based on a new safety concern, but instead driven by superfluous environmental analysis," SpaceX said.

An FAA spokesman recently said SpaceX chose to modify the next planned Starship test flight, which triggered a more in-depth review. The FAA said it needed time to assess the planned flight's environmental impact with other agencies because it will cover a larger area versus previous launches.

—Andrew Tangel contributed to this article.

By SABELA OJEA

Prager Metis has agreed to pay \$745,000 to the Securities and Exchange Commission to resolve negligence-based fraud charges over its past audits of Sam Bankman-Fried's trading platform FTX.

The agreement, in which Prager neither admitted nor denied the SEC's findings, would resolve an action alleging misconduct in the advisory and accounting firm's audits of FTX, the agency said Tuesday.

Besides the civil penalty payment, Prager agreed to retain an independent consultant to review and evaluate its audit, review, and quality control policies and procedures and to abide by certain restrictions on accepting new audit clients, the SEC added. The settlement is subject to court approval.

According to the SEC's complaint, from February 2021



The SEC settlement resolves an action alleging misconduct.

to April 2022, Prager issued two audit reports for FTX that falsely misrepresented that the audits complied with generally accepted auditing standards. This led to quality-control failures that included the lack of increased risk coming from the relationship with FTX and Alameda Research, a

cryptocurrency hedge fund controlled by Bankman-Fried, FTX's founder and former chief executive.

"Because Prager's audits of FTX were conducted without due care, for example, FTX investors lacked crucial protections when making their investment decisions," said

Gurbir Grewal, director of the SEC's division of enforcement. "Ultimately, they were defrauded out of billions of dollars by FTX and bore the consequences when FTX collapsed."

Last year Bankman-Fried was convicted of stealing billions of dollars from customers of the doomed crypto exchange, in what prosecutors called one of the biggest financial frauds in U.S. history. A New York federal jury convicted him of all seven counts he faced.

To settle separate charges, Prager and its professional-services firm, Prager Metis CPAs, agreed to pay \$1.2 million for allegedly violating auditor independence rules and for aiding and abetting their clients' violations of federal securities law from December 2017 to October 2020, the SEC said.

Swiss Bank Slapped Over U.S.'s Biggest Tax-Evasion Case

By MARGOT PATRICK

Mirabaud has to hand over 12.7 million Swiss francs, or about \$15 million, in illegally earned profits and can't take on any new risky clients, for its role helping Texas software billionaire Robert Brockman allegedly shield billions of dollars in income from U.S. tax.

Brockman died at age 81 in 2022 while waiting to stand

trial in what was the U.S.'s largest case of alleged tax evasion by an individual. Prosecutors said he used a web of offshore structures to conceal more than \$2 billion of income, which he denied.

On Tuesday, the Swiss financial regulator Finma said

Brockman's balances at the Geneva-based bank were as much as \$1.7 billion, or around 10% of Mirabaud's total assets at

times.

It said the bank didn't do enough to check and document who the end-customer was or to query the substance of transactions running through the bank—a serious violation of Swiss financial law. It opened enforcement proceedings against three unnamed people.

Mirabaud cooperated in an investigation that started in 2021, Finma said, but had

sought through the Swiss courts to block any public information about the enforcement. That effort failed in the country's Supreme Court.

A Mirabaud spokesman said the bank made changes, and Finma said those measures were "suitable for restoring the lawful state of affairs" at the bank. Finma also appointed an auditor to monitor the bank's efforts.

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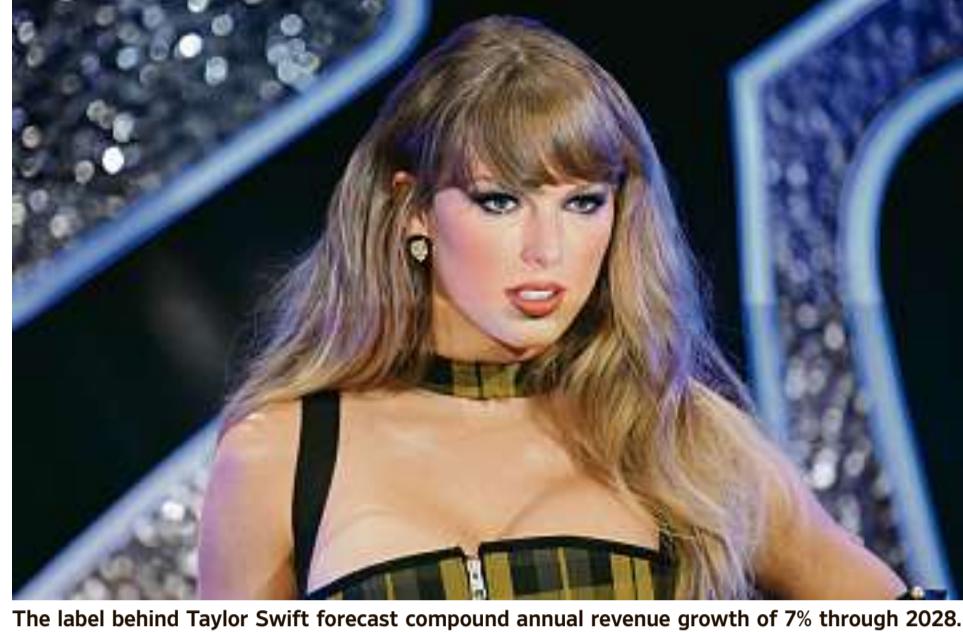
The music company lays out its vision to drive revenue growth through 2028

By MAURO ORRU

The record label behind Taylor Swift, Billie Eilish and Ariana Grande is betting on streaming subscriptions, superfans and partnerships as it forecasts higher revenue and earnings growth through the end of 2028.

Universal Music Group executives laid out a vision for the future of music streaming Tuesday in which more customers pay for premium ad-free streaming, audio services continue to attract new subscribers globally and superfans pay more for special features like early access to new music or high-resolution audio and fan experiences.

The world's largest music company forecast a compound annual growth rate for revenue at constant currencies of more than 7% through 2028, with subscription revenue growing 8% to 10%. It stressed the importance of growing the number of people paying for music streaming subscriptions as well as the money made per customer as the market matures.



The label behind Taylor Swift forecast compound annual revenue growth of 7% through 2028.

Investors have long banked on subscriptions and streaming services to generate sales for the record label. Music streaming boomed at the height of the pandemic when live events shut down but growth has since cooled.

Universal Music in July shed roughly \$13.25 billion in market value after subscriptions and streaming services revenue came in below what analysts had expected in the second quarter, marking Universal's

biggest single-day share slump since the group went public in late 2021. Shares fell 1% Tuesday.

Executives said they are working on initiatives with a range of companies from Spotify to Google's YouTube, Amazon.com and Apple to help spur growth.

New subscribers are likely to come from converting customers in ad-supported tiers to premium subscriptions to boost the average revenue per user, turn-

ing satellite radio listeners to audio streaming subscribers, and getting audiobook listeners to pay for music streaming services, the company said.

Universal executives said they are working to expand artists' reach across social media, videogaming and fitness services in addition to seeking new ways for its musicians to connect with fans through high-end merchandise collaborations, listening parties and other offerings. The company last

month signed an expanded multiyear global agreement allowing music from its artists and songwriters to be shared across

Meta Platforms' networks, including Facebook, Instagram, Messenger, Horizon, Threads and WhatsApp.

That deal expanded monetization opportunities for Universal Music artists and songwriters with short-form video and licensed music for WhatsApp, and came months after another deal with TikTok that saw Universal Music artists and their songs return to the popular video-sharing app after months of disagreements over pay.

BlackRock, Microsoft Partner On AI Fund

By JACK PITCHER AND CONNOR HART

BlackRock, Microsoft and United Arab Emirates state-backed investor MGX are partnering on a new artificial-intelligence infrastructure fund that aims to raise \$30 billion to invest in data centers and related power infrastructure.

After raising the private-equity capital from investors, the partnership could deploy up to \$100 billion in total capital when including debt financing, the parties said Tuesday. Most of the infrastructure investments will be made in the U.S.

The systems powering new AI products are highly energy intensive. The recent frenzy to build data centers to serve the exploding demand for AI is causing a shortage of the parts, property and power that the sprawling warehouses of supercomputers require.

Microsoft and other big tech players have been investing billions in their own data centers. The new partnership—dubbed the Global AI Infrastructure Investment Partnership—will pool capital from investors like pension funds and insurance companies that seek steady, modest returns from private infrastructure investments.

It will finance projects across the AI infrastructure ecosystem, including energy infrastructure. By 2030, data centers alone could increase U.S. power demand by 8%, researchers say.

The goal is to finance some of the capital-intensive infrastructure needs with money from outside the tech sector, BlackRock Chief Executive Larry Fink said.

—Miriam Gottfried and Tom Dotan contributed to this article.

Meta, Ray-Ban Maker Strike New Agreement

By ADRIÀ CALATAYUD AND ANDREA FIGUERAS

Meta Platforms struck a new long-term agreement with Ray-Ban maker **EssilorLuxottica**, deepening a push into smart eyewear as the tech giant starts to roll out artificial-intelligence features.

The parent of Facebook and Instagram already works with the European eyewear group to make Ray-Ban smart glasses, and the two compa-

nies plan to build on that relationship into the next decade, EssilorLuxottica said Tuesday.

Meta and EssilorLuxottica aim to make glasses a new gateway to a connected world as companies begin to introduce AI tools in gadgets beyond smartphones and computers. "We have the opportunity to turn glasses into the next major technology platform, and make it fashionable in the process," Meta Chief Executive and founder

Mark Zuckerberg said.

The companies recently integrated Meta AI into their smart glasses in the U.S. and Canada, allowing users to take pictures, get information on what they look at, access news or ask for recommendations.

The agreement indicates both companies' commitment to the integration of AI features, underscoring the potential of the smart glasses segment, Equita Sim analyst Domenico Ghilotti said in a

note to clients.

EssilorLuxottica Chief Executive Francesco Milleri said the work his company has done with Meta, which began in 2019, is still in its early stages.

Financial details of the agreement weren't disclosed.

In July, The Wall Street Journal reported that Meta was in talks to buy a stake of about 5% in EssilorLuxottica after sales of the latest Ray-Ban smart glasses, called Ray-

Ban Meta, exceeded expectations.

The agreement could still open the door to a possible acquisition by Meta of a stake in EssilorLuxottica, though there is no reference to that in Tuesday's announcement, Eq-

uita's Ghilotti said.

Millieri said in an earnings call in July that Google and other big technology companies had shown interest in exploring partnerships with Es-

silorLuxottica.

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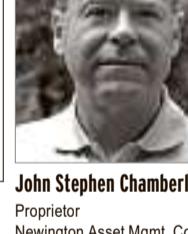
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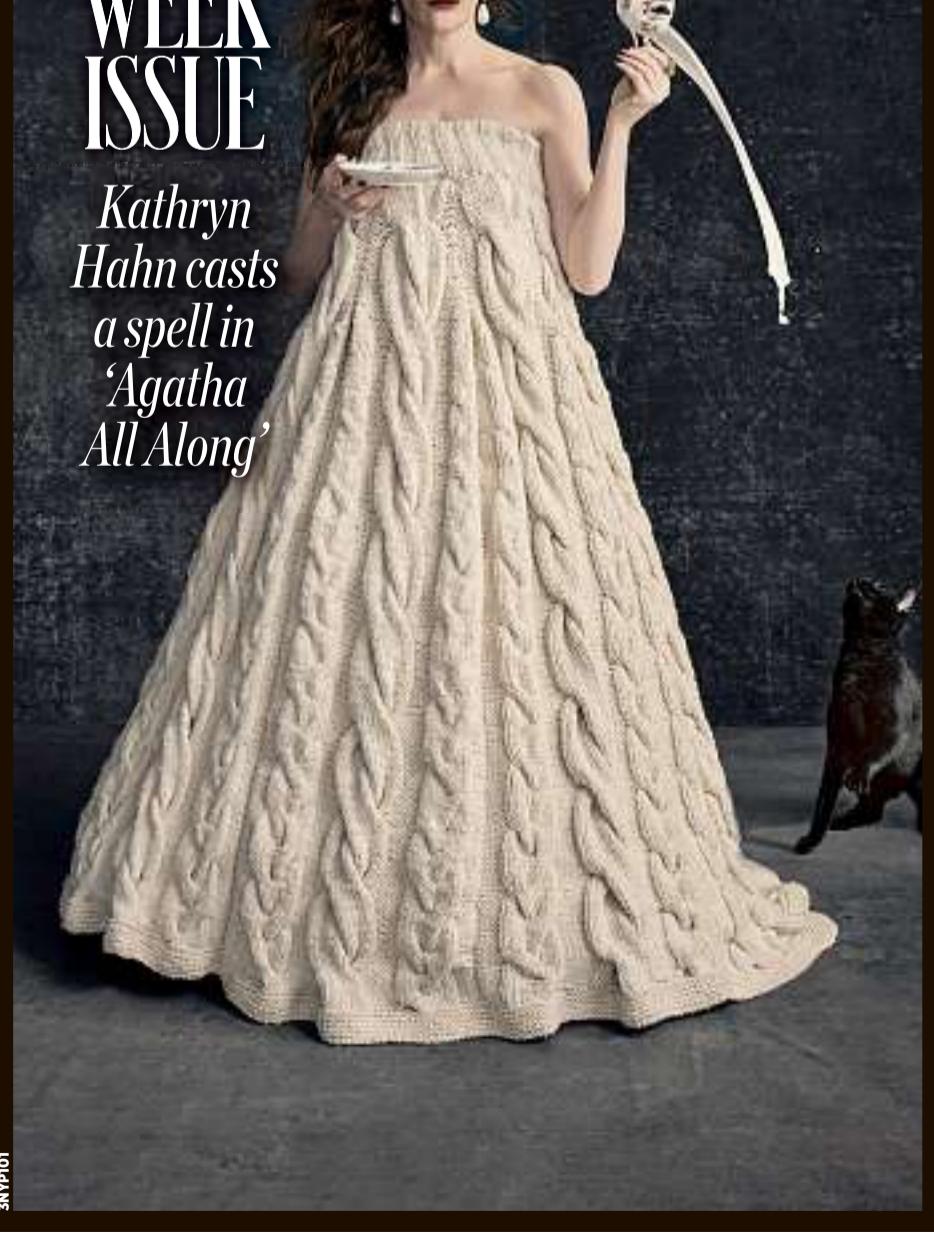


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THE PROPERTY REPORT

Carlyle Takes Stake in a Home Investor

Deal with Unison expands the firm's push into asset-based finance

BY ISAAC TAYLOR

Private-markets firm **Carlyle** is expanding its asset-based-finance capacity with a partnership aimed at capitalizing on the equity that U.S. homeowners have accrued.

Carlyle has agreed to purchase a minority stake in Unison, a firm that provides cash to homeowners in exchange for a share of their homes' equity. The private-markets firm also agreed to buy \$300 million of newly issued equity-sharing home loans from Unison, which is legally named **Real Estate Equity Exchange**.

A home-equity sharing agreement allows investors to provide cash to a homeowner in the form of a loan in exchange for a portion of their home's equity. The cost of the interest-only loan is typically offset by sharing a percentage of the home's future appreciation.

However, homeowners generally must agree to sell their homes within a 10-year period, according to Thomas Sponholz, Unison's founder and chief executive.

Unison said it has entered



Unison, legally named Real Estate Equity Exchange, gives cash to homeowners in exchange for a share of their homes' equity.

equity-sharing agreements with 17,000 homeowners. It typically works with individuals who have a FICO score of 680 and above, a maximum combined loan-to-value ratio of 70%, and a debt-to-income ratio that doesn't exceed 40%, ac-

cording to the firm.

Carlyle's partnership with San Francisco-based Unison stands to boost the lender's origination capacity and give homeowners access to equity as housing values appreciate, according to Carlyle.

U.S. homeowners have at least \$35 trillion in home equity, according to data from the Federal Reserve Bank of St. Louis. But a surge in interest rates over the past two years has prevented many homeowners from refinancing mort-

gages taken out when interest rates were much lower. That has left many unable to draw on what is often their biggest asset, their home, as home values continue to appreciate.

"We have a deep belief here that there's a structural under-

supply of housing in this country, and that has actually been one of the sources of very attractive home price appreciation that we've seen in the market," said Akhil Bansal, the head of credit strategic solutions at Carlyle.

The median price for a home was \$412,300 in the second quarter of 2024, according to the St. Louis Fed. That is a 30% increase from the \$317,100 price in the second quarter of 2020, according to the bank.

The credit strategic solutions team within Carlyle's global credit unit led the Unison deal. The group, which focuses on private fixed-income and asset-backed investments, has deployed more than \$5 billion since 2021.

For example, the group on Monday, in a joint effort with the firm's private-credit team, backed North Bridge, a provider of real-estate finance. It also committed to provide up to \$1 billion to facilitate the origination of commercial property assessed clean energy loans by North Bridge.

The firm has boosted its asset-based-finance business by acquiring student-loan portfolios. In July, Carlyle and **KKR** bought a \$10.1 billion portfolio from **Discover Financial Services**. Carlyle also purchased a \$415 million collection from **Truist Financial** earlier this year.

Dollar Stores Expand

Continued from page B1
ond quarter.

Competition and price cuts from rival discount retailers are also hurting sales. And dollar stores have an uneven track record for store operations, with some locations plagued by cluttered aisles, understaffing and retail theft.

"They've relied on this new store growth without making sure that the operations and the existing stores are really solid," said Neil Saunders of research firm GlobalData.

Dollar General, with more than 20,000 locations in 48 states, boosted hiring last year in an effort to improve the customer experience. Adding more employees to the self-checkout section in its stores helped reduce theft last quarter, although it remains above 2019 levels, executives said.

Dollar Tree, meanwhile, is expanding its assortment at a wider price range and considering selling its underperforming Family Dollar chain, which it acquired for roughly \$9 billion in 2015 but never succeeded in turning around. The parent company closed nearly 700 stores this year, mostly Family Dollars, but is still expanding through its namesake chain.

Dollar Tree has opened more than 300 new stores across both banners so far this year, and this spring the retailer purchased 170 leases of the bankrupt 99 Cents Only



The chain increased hiring last year to improve customer experience and cut down on theft.

Stores chain. The company has already reopened more than 100 of those locations as Dollar Trees and plans to add at least 50 more by the end of 2024.

"These 99 Cents Only locations are proven, high-quality stores in strong markets with great growth potential," Dollar Tree Chief Operating Officer Mike Creedon told investors earlier this month.

Dollar stores' lack of robust online platforms poses a more structural concern. Dollar General, in particular, has historically won customers by opening stores in rural areas where Amazon and other online retailers have had less reach.

Retiree Susan Pollmann said cleaning supplies and other items she orders on Amazon are often delivered within 24 hours to her home in the St. Louis suburbs. But it takes longer to get deliveries to her lake house in the more

remote town of Kissee Mills, Mo., and so she often finds herself running to the nearby Dollar General. It is less than a 10-minute drive away, much closer than the nearest grocery store or Walmart.

"You can almost always find what you need there without having to make a trip all the way into town," Pollmann said.

But now Amazon is beefing up its delivery to far-flung parts of the U.S., threatening dollar stores' corner on convenience. And investments by big-box retailers to integrate their in-person and online shopping services are paying off, with Walmart outperforming earnings and revenue expectations this year as its e-commerce sales grow.

The American consumer has become even more inclined to shop online since the pandemic, and "the desire to sit on your couch and shop

garners a lot of money," said Matt Garfield of the business advisory firm FTI Consulting.

It is unlikely dollar stores, which as sellers of low-price goods already operate on thin margins, will spend significant money building their own e-commerce infrastructure. But the companies have made some moves to increase their online offerings.

Dollar Tree offers in-store pickup of items bought online at some stores, and its Family Dollar customers can now buy SNAP-eligible products through Instacart delivery. Dollar General has partnered with the delivery company DoorDash.

Meanwhile, dollar-store executives say they will continue to open new stores. "We don't believe that by slowing down to any large degree new stores would be the answer here," Dollar General CEO Todd Vasos told investors in late August.

Amazon's Office Return Sparks Staff Concern

BY SEBASTIAN HERRERA
AND JOSEPH DE AVILA

Amazon.com's decision to require its corporate staff members to be in the office every weekday sparked frustration among employees and curiosity among executives at other companies interested in seeing worker reaction.

Some at Amazon said they were surprised and disappointed. On social-media sites, employees complained about added commute times. Others were fine with the change, saying they were already in the office at least four days a week.

"People are not happy about it," said one Amazon software engineer in an interview on Tuesday. "It seems unreasonable and stands against data that people are still productive out of the office."

Amazon's new office policy marks a significant shift for a tech industry where most employers have embraced hybrid work. Only 7% of large tech companies require employees to be in the office five days a week, compared with 33% for all U.S. companies, according to Flex Index, a software firm that tracks return-to-office efforts.

Tech companies have often spearheaded major shifts in office policies during and after the Covid-19 pandemic.

In addition to the new return-to-office norms, Amazon said Monday that it might be thinning out its management staff. In an internal memo to employees, Amazon left open the possibility that some positions might be eliminated as it restructured its departments to have fewer managers per team.

"It's possible that organizations may identify roles that are no longer required," the internal memo said.

Critics fear the moves may allow Amazon to shrink its workforce without official layoffs. Amazon said its return-to-office rules are separate from its restructuring plans. A company spokesman said the changes are an effort to strengthen its culture.

Amazon executives defended the changes by pointing to the hundreds of thousands of company warehouse employees who have had to go in to work each day, even during the pandemic.

"I think about all of our fulfillment center workers, they show up in the office every day," Dharmesh Mehta, Amazon's vice president in its marketplace business, said Tuesday. "There's no way for them to get their jobs done without being right there in the fulfillment center."

BUSINESS NEWS

Airline Merger Is Approved

Continued from page B1
frequent-flier miles when a flight delay or cancellation is within the airline's control, and in guaranteeing that children 13 years old and younger can sit next to an accompanying adult at no extra cost.

The agreement announced Tuesday means that Alaska and Hawaiian can close their deal—the first major U.S. airline merger since 2016, when Alaska bought Virgin America. Antitrust enforcers have been wary of allowing more consolidation in the airline industry after a previous wave of tie-ups.

The Justice Department successfully sued to block the combination of **JetBlue Air-**

ways and Spirit Airlines this year and forced American Airlines and JetBlue to dismantle a partnership in the Northeast.

There are still remaining steps in the Transportation Department's review before Alaska and Hawaiian can operate as a single entity. Once that occurs, the consumer-protection requirements will remain in effect for six years, the DOT said.

Alaska and Hawaiian will together account for 50% of the Hawaiian air-travel market, but the carriers have argued that together they would be able to connect Hawaii to a broader network of destinations.

The companies have said they plan to maintain their separate brands.

The combined airline would be the fifth-largest U.S. carrier behind **United Airlines**, **Delta Air Lines**, **American Airlines** and **Southwest Airlines**—the four carriers that dominate the domestic market.



An Alaska Air airplane taxis past a Hawaiian Airlines plane at Los Angeles International Airport.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are consolidated from trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes:
i-New 52-week high; 1-New 52-week low; dd—Indicates loss in the most recent four quarters.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Tuesday, September 17, 2024

Stock Sym Close Net Stock Sym Close Net

Stock Sym Close Chg Stock Sym Close Chg

A B C

i AAON AAON 96.18 0.02

i AECOM ACM 97.50 -0.87

AES AES 19.24 0.23

Aftec AFL 109.56 -0.61

i AGNC Inv AGNC 10.56 0.01

Amrys ANSS 317.25 -0.80

APA APA 25.25 0.81

ASE Tech ASX 9.77 -0.02

ASML ASML 805.69 2.65

AST Space ASTS 28.00 -1.84

AT&T T 21.78 -0.49

AbbVie ABBV 193.45 -2.28

Accenture ACN 337.04-17.08

AcuityBrands AYI 264.93 2.39

Adobe ADBE 515.03 6.47

AdvDrainageSys WMS 149.82 1.40

AdmMicroDevices AMD 150.82 -1.26

Aegon AEG 6.00 -0.01

AerCap AER 94.83 0.92

AffirmA AFRM 44.00 -0.06

AgilentTechs AII 138.35 0.04

AgnicoreEgMines AME 82.29 -0.27

AgreeRealty ADC 75.97 -0.74

AirProducts APD 291.13 2.26

Airbnn ABNB 122.12 4.57

AlkmaaTech AKTM 97.87 -1.42

AlamosGold AGI 20.44 -0.24

Albemarle ALB 89.82 0.47

Albertsons ACI 18.54 -0.32

Alcoa AA 33.97 -0.53

Alcon ALC 97.16 -1.46

AlexandriaREst ARE 120.41 -0.70

Alibaba BABA 84.70 1.10

AlignTech ALGN 215.36 3.60

Alli Allie 143.37 0.65

AllianzEnergy LNT 60.31 -0.20

Allstate ALL 190.26 -0.30

AllyFinancial ALLY 33.76 0.73

AlynPharm ALY 274.46 4.09

Alphabet A GOOGL 159.32 1.26

Alphabet C GOOG 160.81 1.29

Altira MO 50.91 -1.20

Amazon AMZN 186.88 1.99

Ambev ABEV 2.37 0.04

Amcor AMR 10.99 -0.13

Amdocs DOX 86.41 -0.53

Ameren AEE 85.05 -0.45

AmericaMovil AMX 16.75 -0.19

AEP AEP 104.21 -0.74

AmerExpress AXP 26.40 4.31

AmericanFIn AFG 136.52 0.40

AmHomesRent AMH 40.29 -0.66

AlG AIG 73.60 0.60

AmerTowerREIT ATW 245.45 -0.87

AmericaWaterWorks AWK 19.90 -0.81

AmcGold REOLD 28.32 -0.31

Ab InBev BUD 64.25 -0.50

AnalyCap NLY 20.71 -0.13

AnteroResources AR 26.45 -0.23

Booking BKNG 40423 63.43

BerryGlobal BERY 67.25 -0.33

BethanyHldg BAX 39.81 -0.52

MARKETS DIGEST

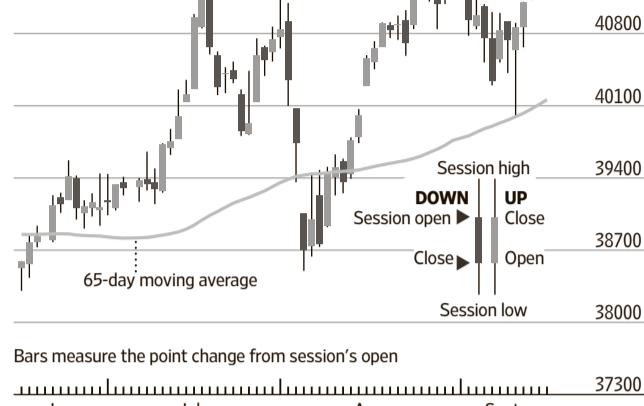
EQUITIES

Dow Jones Industrial Average

41606.18 ▼15.90, or 0.04%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio 25.85 24.99
P/E estimate * 20.24 18.98
Dividend yield 2.06 2.09
All-time high 41622.08, 09/16/24

Current divisor 0.15221633137872



Bars measure the point change from session's open

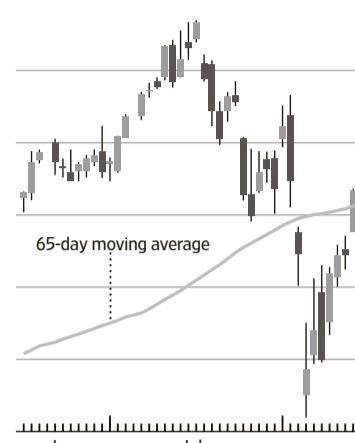
June July Aug. Sept. 37300 38000 38700 39400 40100 40800 41500

*Weekly P/E data based on as-reported earnings from Birlin Associates Inc.; Based on Nasdaq-100 Index

S&P 500 Index

5634.58 ▲1.49, or 0.03%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio * 23.79 21.67
P/E estimate * 22.68 20.27
Dividend yield * 1.33 1.58
All-time high 5667.20, 07/16/24

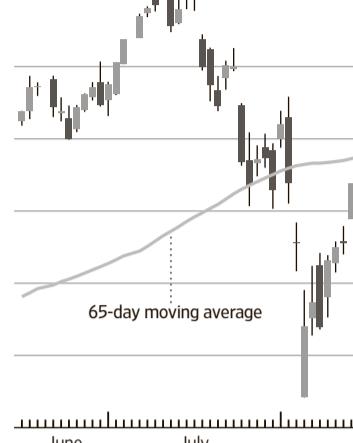


June July Aug. Sept. 5100 5200 5300 5400 5500 5600 5700

Nasdaq Composite Index

17628.06 ▲35.93, or 0.20%
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio * 30.80 30.56
P/E estimate * 29.15 27.32
Dividend yield * 0.82 0.82
All-time high 18647.45, 07/10/24



June July Aug. Sept. 15500 16000 16500 17000 17500 18000 18500

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD % chg	3-yr.ann.
Dow Jones										
Industrial Average	41835.28	41470.69	41606.18	-15.90	-0.04	41622.08	32417.59	20.5	10.4	6.4
Transportation Avg	16132.71	15920.47	16013.77	171.47	0.108	16298.98	13556.07	5.6	0.7	3.9
Utility Average	1062.33	1056.58	1059.33	-1.68	-0.16	1061.01	783.08	19.6	20.2	5.4
Total Stock Market	56177.10	55627.86	55818.93	49.68	0.09	56206.02	40847.04	26.1	16.8	6.7
Barron's 400	1212.79	1201.51	1203.94	8.33	0.70	1212.12	907.97	23.4	12.3	5.7

Nasdaq Stock Market

Nasdaq Composite	17781.74	17544.64	17628.06	35.93	0.20	18647.45	12595.61	28.9	17.4	5.4
Nasdaq-100	19596.34	19337.12	19432.40	9.34	0.05	20675.38	14109.57	27.9	15.5	8.2

S&P

500 Index	5670.81	5614.05	5634.58	1.49	0.03	5667.20	4117.37	26.8	18.1	8.3
MidCap 400	3090.56	3060.33	3070.30	16.37	0.54	3115.02	2326.82	20.0	10.4	4.7
SmallCap 600	1415.10	1397.56	1400.20	10.75	0.77	1435.83	1068.80	19.0	6.2	1.7

Other Indexes

Russell 2000	2229.00	2199.17	2205.48	16.31	0.74	2263.67	1636.94	20.7	8.8	-0.5
NYSE Composite	19331.59	19176.51	19225.78	-30.60	-0.16	19292.23	14675.78	20.7	14.1	5.3
Value Line	614.90	607.54	610.79	3.25	0.53	620.59	498.09	10.4	2.8	-2.3
NYSE Arca Biotech	5960.66	5869.63	5894.29	-10.56	-0.18	5905.19	4544.40	15.0	8.8	-0.3
NYSE Arca Pharma	1119.26	1102.14	1105.29	-13.98	-1.25	1140.17	845.32	21.0	21.4	14.0
KBW Bank	113.18	111.72	112.15	0.72	0.64	115.93	71.71	37.7	16.8	-3.9
PHLX® Gold/Silver	160.28	157.76	158.48	-1.18	-0.74	160.39	102.94	35.5	26.1	8.6
PHLX® Oil Service	78.09	75.88	78.00	2.41	3.18	97.46	72.67	-18.2	-7.0	13.7
PHLX® Semiconductor	4980.86	4874.34	4912.10	1.66	0.03	5904.54	3185.18	42.0	17.6	12.8
Cboe Volatility	18.08	16.67	17.61	0.47	2.74	38.57	11.86	24.8	41.4	-5.4

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Sources: FactSet; Dow Jones Market Data

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	828.72	0.30	0.04	14.0
	MSCI ACWI ex-USA	340.96	0.20	0.06	7.7
	MSCI World	3640.50	-0.23	-0.01	14.9
	MSCI Emerging Markets	1090.51	4.49	0.41	6.5
Americas	MSCI AC Americas	2120.86	0.43	0.02	16.9
Canada	S&P/TSX Comp	23677.70	-24.37	-0.10	13.0
Latin Amer.	MSCI EM Latin America	2265.62	3.50	0.15	-14.9
Brazil	Bovespa	134960.19	-158.03	-0.12	0.6
Chile	S&P IPSA	3432.10	-7.39	-0.21	-1.0
Mexico	S&P BMV IPC	52273.53	256.68	0.49	-8.9
EMEA	STOXX Europe 600	517.19	2.08	0.40	8.0
Eurozone	Euro STOXX	504.62	3.16	0.63	6.4
Bel-20	2429.66	-4.96	-0.12		14.3
Denmark	OMX Copenhagen 20	2745.20	-32.98	-1.19	20.2
France	CAC 40	7487.42	37.98	0.51	-0.7
Germany	DAX	18726.08	92.97	0.50	11.8
Israel	Tel Aviv	1998.14	-21.07	-0.10	7.1
Italy	FTSE MIB	33780.28	210.30	0.63	11.3
Netherlands	AEX	900.32	4.57	0.51	14.4
Norway	Oslo Bors All-Share	1616.87	-7.37	-0.45	6.4
South Africa	FTSE/JSE All-Share	83032.71	1025.37	1.25	8.0
Spain					



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BANKRUPTCIES

Information to identify the case:
Debtors: Digital Media Solutions, Inc., et al.
EIN: 98-1399727
United States Bankruptcy Court for the Southern District of Texas
Date case filed for Chapter 11: September 11, 2024
Case Number: 24-90468 (ARP)
Official Form 309(F) (For Corporations or Partnerships)
Notice of Chapter 11 Bankruptcy Case 10/20

For the debtor listed above, a case has been filed under the provisions of the Bankruptcy Code. An order for relief has been entered.

This notice has important information about the case for creditors and debtors, including information about the meeting of creditors and deadlines. Read both pages carefully.

The filing of this case imposed an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the debtor or the debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the debtor. Creditors cannot demand repayment from the debtor by phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney fees.

Co-defendants of a chapter 11 plan may result in a discharge of debt. A creditor who wants to have a particular debt excepted from discharge may be required to file a complaint in the bankruptcy clerk's office within the deadline specified in this notice (See line 11 below for more information).

To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through the Public Access to Court Electronic Records at <https://pacers.uscourts.gov>.

The staff of the bankruptcy clerk's office cannot give legal advice.

Do not file this notice with any proof of claim or other filing.

1. Debtors' full name: See below.

2. Jointly Administered Cases

DEBTOR: COHEN DANIA BEACH HOLDINGS INC., 24-90468 (ARP), 81-171901, Ainsell LLC, 24-90469 (ARP), 87-319701, Ainsell LLC, 24-90470 (ARP), 81-2101619, Apex Digital Solutions, LLC, 24-90472 (ARP), 81-518428; Aramis Interactive LLC, 24-90467 (ARP), 81-171913; Art Brock Holdings, LLC, 24-90475 (ARP), 83-283588; Best Rate Holdings, LLC, 24-90477 (ARP), 81-299963; Best Rate Referrals, Inc., 24-90479 (ARP), 82-0739283; Car Loan Pal Holdings LLC, 24-90483 (ARP), 45-337199; Push Pro LLC, 24-90484 (ARP), 46-525649; CEP U.S. Block Company, 24-90487 (ARP), 35-255129; CGV Marketing Services, LLC, 24-90488 (ARP), 83-284026; Dealerata, LLC, 24-90476 (ARP), 83-264401; Digital Media Solutions Holdings, LLC, 24-90481 (ARP), 88-110754; Performance Marketers Group LLC, 24-90489 (ARP), 83-207747; Protect.com LLC, 24-90502 (ARP), 80-024101; RMS Education LLC, 24-90497 (ARP), 83-779534; DMS Engine, LLC, 24-90491 (ARP), 82-2584938; DMS U/Acquisition Holdings Inc., 24-90495 (ARP), 84-353405; Edge Marketing, LLC, 24-90505 (ARP), 83-100414; Form 100, LLC, 24-90506 (ARP), 80-024076; Hootsuite Marketing Group LLC, 24-90473 (ARP), 83-176079; Orange Cedar Holdings, LLC, 24-90485 (ARP), 83-2914610; Peak Vector LLC, 24-90484 (ARP), 88-110754; Performance Marketers Group LLC, 24-90489 (ARP), 83-207747; Protect.com LLC, 24-90502 (ARP), 80-024101; Pure Flow Marketing LLC, 24-90501 (ARP), 45-337199; Push Pro LLC, 24-90497 (ARP), 46-337199; Push Pro LLC, 24-90494 (ARP), 82-0739283; Car Loan Pal Holdings LLC, 24-90483 (ARP), 46-522343; SmarterChase.com, LLC, 24-90478 (ARP), 45-4964231; Sparkroom Holdings, LLC, 24-90482 (ARP), 81-1382771; Sprinkler, LLC, 24-90496 (ARP), 45-410169; SWNSMedia.com, LLC, 24-90497 (ARP), 83-2871443; Traverse Data, Inc., 24-90492 (ARP), 82-2617686; UE Authority, Co., 24-90496 (ARP), 80-024319; W4 Holding Company, LLC, 24-90499 (ARP), 83-1008354; White Star Email LLC, 24-90498 (ARP), 83-1008354.

2. Addresses shown in the last 8 years: See Rider 1.

3. The address for all debtors listed above is 4800

1401 Avenue N, Suite 101, Clearwater, FL 33762.

4. Debtors' attorneys: PERTER HEDGES, LLC, John F. Higgins (TX Bar No. 095970), M. Shawne Johnson (TX Bar No. 24083263), Megan Young (TX Bar No. 24088700), James A. Keefe (TX Bar No. 24122842), 1000 Main St., 36th Floor, Houston, TX 77002, Telephone: (713) 226-6000, Facsimile: (214) 446-4900, Email: jkeefe@pertehedges.com, and KIRKLAND & ELLIS LLP, KIRKLAND & ELLIS INTERNATIONAL LLP, Joshua A. Sussberg, PC, (admitted pro hac vice), Elizabeth H. Jones (admitted pro hac vice), 601 Lexington Avenue, New York, NY 10022, Telephone: (212) 446-4900, Facsimile: (214) 446-4900, Email: joshua.sussberg@kirkland.com, elizabeth.jones@kirkland.com, and KIRKLAND & ELLIS INTERNATIONAL LLP, Alexander F. Schwanzman, PC, (admitted pro hac vice), 333 West Polk Pointe, Chicago, Illinois 60605, Telephone: (312) 862-2000, Facsimile: (312) 862-2200, Email: alexandra.schwanzman@kirkland.com, Proposed Co-Counsel to the Debtors and in Possession.

Debtors' notice and claims agent (for court documents and case information inquiries): Case Website: <https://omniglobalsolutions.com/DMIS>; Email: DMISquires@Omniglobalsolutions.com; Telephone: (866) 680-8083 toll-free, +1 (817) 574-8886 (international). If by First Class Mail: Digital Media Solutions, Inc., 4800 140th Avenue, Suite 101, Clearwater, FL 33762; by Hand Delivery or Overnight Mail: Digital Media Solutions, Inc., 8000 140th Avenue, Suite 101, Clearwater, FL 33762.

5. The Clerk's Office: United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002. Hours Open: Monday - Friday, 8:00 AM - 5:00 p.m. CT, Contact:

6. Attorneys for the Debtors: PERTER HEDGES, LLC, John F. Higgins (TX Bar No. 095970), M. Shawne Johnson (TX Bar No. 24083263), Megan Young (TX Bar No. 24088700), James A. Keefe (TX Bar No. 24122842), 1000 Main St., 36th Floor, Houston, TX 77002, Telephone: (713) 226-6000, Facsimile: (214) 446-4900, Email: jkeefe@pertehedges.com, and KIRKLAND & ELLIS LLP, KIRKLAND & ELLIS INTERNATIONAL LLP, Joshua A. Sussberg, PC, (admitted pro hac vice), Elizabeth H. Jones (admitted pro hac vice), 601 Lexington Avenue, New York, NY 10022, Telephone: (212) 446-4900, Facsimile: (214) 446-4900, Email: joshua.sussberg@kirkland.com, elizabeth.jones@kirkland.com, and KIRKLAND & ELLIS INTERNATIONAL LLP, Alexander F. Schwanzman, PC, (admitted pro hac vice), 333 West Polk Pointe, Chicago, Illinois 60605, Telephone: (312) 862-2000, Facsimile: (312) 862-2200, Email: alexandra.schwanzman@kirkland.com, Proposed Co-Counsel to the Debtors and in Possession.

Debtors' notice and claims agent (for court documents and case information inquiries): Case Website: <https://omniglobalsolutions.com/DMIS>; Email: DMISquires@Omniglobalsolutions.com; Telephone: (866) 680-8083 toll-free, +1 (817) 574-8886 (international). If by First Class Mail: Digital Media Solutions, Inc., 4800 140th Avenue, Suite 101, Clearwater, FL 33762; by Hand Delivery or Overnight Mail: Digital Media Solutions, Inc., 8000 140th Avenue, Suite 101, Clearwater, FL 33762.

7. Notice of Sale: See Rider 1.

8. The address for all debtors listed above is 4800

1401 Avenue N, Suite 101, Clearwater, FL 33762.

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45. The address

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract	Open	High	Low	Settle	Chg	Interest
Copper-High (CMX)	25,000 lbs.; \$ per lb.						
Sept	4,2240	4,2330	4,1935	4,2135	0,0005	2,006	
Dec	4,2660	4,3045	4,2530	4,2730	-0,0005	121,527	
Gold (CMX)	100 troy oz.; \$ per troy oz.						
Sept	2581.20	2581.80	2575.00	2564.30	-16.10	108	
Oct	2586.30	2590.00	2564.10	2568.90	-16.30	41,150	
Nov	2598.20	2602.00	2577.40	2580.80	-16.50	340	
Dec	2609.80	2613.70	2587.30	2592.40	-16.50	441,699	
Palladium (NYM)	50 troy oz.; \$ per troy oz.						
Sept	1016.00	1038.00	1016.00	1104.70	20.30	6	
Dec	1085.00	1126.00	1102.20	20.00	18,812		
Platinum (NYM)	50 troy oz.; \$ per troy oz.						
Sept	994.80	994.80	990.00	982.80	-0.01	1	
Oct	989.40	995.50	981.00	982.80	-5.40	43,437	
Silver (CMX)	5,000 troy oz.; \$ per troy oz.						
Sept	30.690	30.700	30.685	30.619	-0.152	110	
Dec	31.075	31.350	30.860	30.979	-0.156	121,897	
Crude Oil, Light Sweet (NYM)	1,000 bbls.; \$ per bbl.						
Oct	70.50	71.92	69.61	71.19	1.10	132,538	
Nov	69.35	70.65	68.51	69.96	0.94	323,438	
Dec	68.53	69.80	67.81	69.17	0.88	241,350	
Jan'25	68.09	69.29	67.38	68.70	0.86	151,086	
June	67.14	68.24	66.60	67.76	0.76	147,202	
Dec	66.32	67.31	65.88	66.87	0.66	138,272	
NY Harbor ULSD (NYM)	42,000 gal.; \$ per gal.						
Oct	2,1037	2,1540	2,0815	2,1367	-0.039	83,195	
Nov	2,1169	2,1633	2,0957	2,1497	-0.032	102,968	
Gasoline-NY RBOB (NYM)	42,000 gal.; \$ per gal.						
Oct	1,9773	2,0055	1,9589	2,0019	-0.037	79,025	
Nov	1,9480	1,9798	1,9333	1,9754	-0.039	108,143	
Natural Gas (NYM)	10,000 MMbtu; \$ per MMBtu						
Oct	2,391	2,436	2,307	2,324	-0.049	139,098	
Nov	2,645	2,691	2,603	2,613	-0.026	268,736	
Dec	3,071	3,111	3,041	3,050	-0.017	134,478	
Jan'25	3,338	3,380	3,316	3,327	-0.012	178,605	
March	2,923	2,954	2,899	2,915	-0.001	142,478	
April	2,793	2,828	2,779	2,798	.006	84,582	

Agriculture Futures

	Contract	Open	High	Low	Settle	Chg	Interest
Corn (CBT)	5,000 bu.; cents per bu.						
Dec	410.00	413.00	408.50	412.50	1.75	790,622	
March'25	429.00	431.00	427.00	430.75	1.50	268,726	
Oats (CBT)	5,000 bu.; cents per bu.						
Dec	355.75	362.50	348.25	351.25	-12.00	3,030	
March'25	357.25	362.00	347.50	352.00	-10.00	333	
Soybeans (CBT)	5,000 bu.; cents per bu.						
Nov	1003.75	1011.00	1002.00	1006.00	1.50	408,435	
Jan'25	1021.50	1029.75	1021.00	1024.75	1.25	136,659	
Soybean Meal (CBT)	100 tons; \$ per ton.						
Oct	319.30	320.50	316.40	318.00	-2.10	64,837	
Dec	322.20	324.60	320.20	321.50	-2.30	229,021	
Soybean Oil (CBT)	60,000 lbs.; cents per lb.						
Oct	39.75	40.80	39.75	40.55	.80	60,793	
Dec	39.11	40.10	39.10	39.88	.77	252,827	

Interest Rate Futures

	Contract	Open	High	Low	Settle	Chg	Interest
Ultra Treasury Bonds (CBT)	\$100,000; pts 32nds of 100%						
Sept	137-050	137-270	136-150	136-230	-13.0	13,696	
Dec	137-230	138-140	136-310	137-070	-12.0	1,708,870	
Treasury Bonds (CBT)	\$100,000; pts 32nds of 100%						
Sept	127-080	127-170	126-230	126-270	-6.0	1,829	
Dec	127-080	127-220	126-220	126-280	-10.0	1,749,126	
Treasury Notes (CBT)	\$100,000; pts 32nds of 100%						
Sept	115-060	115-070	114-265	114-295	-5.0	2,613	
Dec	115-180	115-215	115-080	115-120	-6.0	4,889,492	
5 Yr. Treasury Notes (CBT)	\$100,000; pts 32nds of 100%						
Sept	110-020	110-082	109-315	110-037	-4.7	190	
Dec	110-230	110-250	110-152	110-185	-4.7	6,440,537	
2 Yr. Treasury Notes (CBT)	\$200,000; pts 32nds of 100%						
Sept	104-010	104-029	103-296	103-316	-3.2	206	
Dec	104-142	104-150	104-100	104-116	-2.9	4,328,657	

Cash Prices | wsj.com/market-data/commodities

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Tuesday

	Energy	Metals	Fibers and Textiles	Food	Grains and Feeds	Fats and Oils
Copper,Comex spot	4,2135					
Coal,C.Apic,12500Btu,12SO2-r,w	79,700					
Coal,PwdrRvrBsn,8800Btu,08SO2-r,w	13,950					
Battery/EV metals		10150				
BMI Lithium Carbonate,EXW China,-99.2%-v,w		10150				
BMI Lithium Hydroxide,EXW China,-56.5%-v,w		9875				
BMI Cobalt sulfate,EXW China,+20.5%-v,w		3913				
BMI Nickel Sulfate,EXW China,>22%-v,w		3807				
BMI Flake Graphite,FOB China,100 Mesh,94.95%-v,w		460				
Burlap,10-oz,40-in NY yd,n,w		n.a.				
Cotton,1/16 std lb-midMphs-u		0.6566				
Cotlook,A'-Index		*81.45				
Hides,hvy natural steers piece fob-u		n.a.				
Wool,64s,staple,Terr del-u,w		n.a.				
Bron, wheat middlings,KC-u,w		88				
Corn, No.2 yellow,Cent Lb-bp,u		3,7400				
Corn gluten feed,Midwest-u,w		107.7				
Corn gluten meal,Midwest-u,w		423.1				
Cottonseed meal-u,w		n.a.				
Hominy feed,Cent IL-u,w		110				
Meat,bonemeal,50% pro Mnpls-u,w		328				
Oats, No.2 milling,Mnpls-u		4,0125				</

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Kroger Antitrust Case Sets Up New Deals

A victory for the FTC could pave the way for an Amazon buying spree

Supermarket chains **Kroger** and **Albertsons** put their \$20 billion merger on hold after antitrust enforcers sued to block the deal. The outcome of the antitrust trial involving the Federal Trade Commission, which concluded on Tuesday, could open up some interesting deal possibilities for the grocery industry.

One of the central points in the case was the scope of the market in which the two companies compete. The two argued they needed scale to fend off competition from many grocery sellers, including behemoths such as **Costco**, the third-largest grocery seller by market share, and **Amazon.com**. The FTC in its complaint argued for a narrower definition of supermarkets as places where consumers can do “one-stop shopping” for groceries and provide tens of thousands of unique items.

Notably, the FTC argued in its complaint that Costco and Sam’s Club don’t compete head-to-head with supermarkets because they require membership fees and offer large package sizes and a limited selection. It excluded discount grocers such as Aldi and Lidl, and “premium natural and organic” chains such as Amazon-owned Whole Foods and Sprouts Farmers Market. Interestingly, Amazon’s online grocery business was left out because it doesn’t offer an in-person grocery-shopping experience. The FTC said during the trial that the Amazon Fresh bricks-and-mortar store footprint was too limited to make much of a difference.

Kroger and Albertsons are the second- and fourth-largest grocery sellers with 8.9% and 5.5% of U.S. grocery market share, respectively, according to Numerator, using a



Kroger is the second-largest U.S. grocery retailer by market share, according to Numerator.

broad definition. Costco holds an 8.3% share, while Amazon and Whole Foods combined would account for 2.8%. **Walmart**, whose grocery operations the FTC does include in its market definition, is first with 21%.

A federal court in Oregon is set to decide whether to allow the FTC to block the deal in the coming weeks. If the court sides with the FTC based on its narrow market definition, it could have the ironic impact of opening up a path for giants such as Amazon and Costco to pursue supermarket acquisitions, including Albertsons. It could embolden discounters to buy up gro-

cery chains more aggressively. Aldi certainly has the appetite: This year, it closed the acquisition of the Winn-Dixie and Harveys Supermarket regional chains.

Costco isn’t acquisitive, but Amazon has a record with Whole Foods and has been interested in growing its share in the grocery market, with little success doing so organically. The e-commerce giant has generally been under heavy antitrust scrutiny, but based on the way the FTC defines supermarkets in this case, Amazon appears to be off the hook in the grocery market.

Of course, the judge might dis-

agree with the FTC’s narrow market definition and still find the deal anticompetitive on other grounds. During the trial, the FTC seemed to hedge its argument a little bit, saying the Kroger-Albertsons deal would cause harm in “thousands of stores” even if it expanded the scope of competition to include the likes of Costco and Whole Foods.

But defining the scope of competition has been a key focus in this case. And once the FTC establishes a market definition, it typically sticks to it and won’t challenge deals outside of that scope, according to one antitrust attor-

Top 10 U.S. grocery retailers by market share

Walmart	21.4%
Kroger	8.9
Costco	8.3
Albertsons	5.5
Sam’s Club	4.3
Publix	4.2
Ahold Delhaize	4.1
Aldi	3.1
Target	2.4
Dollar General	1.8

Note: For the 12 months ended June 30, 2024

Source: Numerator TruView

ney. Another antitrust attorney said that while the FTC can still tweak the market definition in future cases, doing so would pose an “optical challenge” for the antitrust agency if it appears that their argument directly contradicts their previous definition.

One example is the FTC’s successful lawsuit against the Sysco-US Foods merger in 2015. The agency defined the two companies as national food-service distributors, which they differentiated from regional distributors such as Performance Food Group. Performance Food Group has since bought up a series of other regional distributors and its revenue base now far eclipses that of US Foods.

A victory for antitrust enforcers in the Kroger case could stop one transformative deal in the space, while unwittingly opening the path for others.

—Jinjoo Lee

A Battle Brews Over Blood Tests for Cancer

Positive results of an Exact Sciences study lead CEO of Guardant to challenge his rival to a bet

Blood tests for cancer detection, known as liquid biopsies, can still be unreliable, but progress is being made. Competition between different diagnostics companies is intensifying.

In July, the Food and Drug Administration approved Shield, a colorectal cancer blood test developed by **Guardant Health**. Shield became the first blood test approved by the FDA as a primary screening option for colorectal cancer that meets performance requirements for Medicare coverage, the company announced at the time. But its first-mover advantage might not last very long: Competitor **Exact Sciences**, which sells the Cologuard stool test for the same disease, on Monday announced positive data for its blood-based study that arguably beat Guardant’s test.

The company reported that its test caught 88.3% of cancers while detecting 31.2% of advanced adenomas, or precancerous polyps. Catching these polyps early is important because they could turn

Share-price reactions to Exact Sciences’ study results



Source: FactSet

into cancer if left undetected. (That is why colonoscopies are still the gold standard: A doctor can pre-emptively and painlessly remove the polyps during the procedure.) In larger studies, Guardant and **Freenome**, another biotechnology company, detected the advanced adenomas less than 15%

of the time. That could give Exact Sciences a major advantage. On Monday, Guardant stock fell 5.3% while Exact Sciences gained 6%. (Freenome is privately held.)

The data come with a major caveat, though: The results are from a relatively small study of about 3,000 samples. To feel more confident that Exact’s test is superior, Wall Street will want to see the data from a 20,000-plus adult study the company is conducting. Results from that study, necessary for FDA approval, are expected in the first half of next year.

“While these results are better than investor expectations per our survey, the whole focus is what they portend for the final FDA readout, and how much degradation we could see from partial case control to final readout,” wrote TD Cowen analyst Dan Brennan.

At this juncture in a drug or medical product’s development, rivals usually keep quiet or say something generic about how it is good to have more options for pa-

tients while cautioning that more data are needed. They typically focus their messaging on how their approach might be best for the patient. Guardant’s co-founder and co-chief executive took a less-orthodox approach: In a LinkedIn post, AmirAli Talasaz challenged Exact Sciences CEO Kevin Conroy to a \$1 million bet that the data presented on Monday won’t hold up in the bigger trial.

Exact Sciences management had already warned that the final results might be less impressive. But Conroy has argued it should still hold up well, while cautioning during a second-quarter earnings call that “we can’t guarantee it, it’s science.”

TD Cowen’s Brennan points out that the large market of 60 million unscreened Americans leaves room for multiple players. And while more tests are great news for patients, one with greater accuracy could be worth considerably more than a million dollars.

—David Wainer

Apple’s Supercycle May Lack Urgency

An AI iPhone without AI may be a tough sell—even for **Apple**.

Apple’s shares fell nearly 3% Monday on reports indicating weak demand for its iPhone 16 family, preorders for which kicked off on Friday. Ming-Chi Kuo, an analyst for TF International Securities who closely monitors Apple’s supply chain, wrote in a report Monday that preorder sales for the 16 lineup during the first weekend are down nearly 13% from last year’s iPhone 15 family.

In his report Monday, Wamsi Mohan of BofA Securities noted shipment times for overall iPhone 16 preorders are shorter than at the same point last year. Most notably, ship times for the iPhone 16 Pro are averaging 10 days shorter globally than for last year’s comparable iPhone model, according to BofA’s data. Kuo likewise cited lower-than-expected demand for this year’s Pro lineup as “the key factor” in the weaker preorders he is seeing.

That would be a problem for Apple, considering the role iPhone Pro models played in the company’s ability to boost revenue from its mature smartphone business over the past few years. Ironically, the artificial-intelligence enhancements Apple is adding to this year’s iPhone family may be undercutting the case for the Pro series, as all of the iPhone 16 models this year have an enhanced processor to power on-device AI. In a report last week after the announcement of the new phones, Toni Sacconaghi of Bernstein said “the Pro vs. non-Pro value proposition arguably appears less compelling this year.”

Of course, such early sales data is far from definitive. And the fact that Apple’s AI service dubbed “Apple Intelligence” won’t even be available when the new iPhones hit stores on Friday means this iPhone cycle will likely be even more spread out than usual. Mohan of BofA notes Apple might have boosted production of this year’s Pro models compared with last year, which could help account for shorter wait times this year. Apple has plenty of time to sell its new iPhones. Customers who want AI in their phones may be taking their time as well.

—Dan Gallagher

Salesforce Needs to Sell Its Latest AI Vision

Low expectations make for unfamiliar ground at **Salesforce**. Given the uncertainty artificial intelligence has cast over the cloud software industry, they may be welcome.

As Salesforce kicks off its annual confab known as Dreamforce this week, the pioneer of the software-as-a-service, or SaaS, category finds itself with a lot to prove. Years of turbocharged revenue growth through sales deals and acquisitions has slackened, with revenue expected to rise at a single-digit percentage for the first time ever in the current fiscal year. That has put a bit of a cloud over the stock price, which is down about 2% since the start of the year.

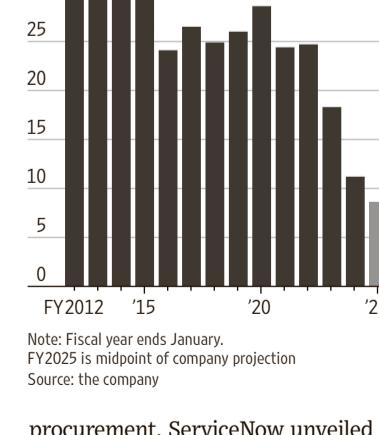
At least Salesforce has plenty of company. **Adobe**, **Workday**, **Atlasian** and **Snowflake** are a few of the SaaS providers that saw shares take a hit; the BVP Nasdaq Emerging Cloud Index shed more than 10% so far this year. Like Salesforce, many are struggling with slowing growth rates, causing investors to worry that the sharp rise of generative-AI

investments is squeezing other categories on corporate budgets, making major sales deals harder to close.

Some generative-AI proponents believe the technology will supplant prewritten software. **Klarna** CEO Sebastian Siemiatkowski reportedly told a group of the buy-now-pay-later provider’s investors last month that the company was shutting down its use of Salesforce and Workday because it feels it can use AI tools to replicate those services. That could turn out to be a stretch, especially for a company working in the highly regulated field of consumer finance. Still, the few SaaS stocks that have done well this year, such as **ServiceNow**, have done so by maintaining strong growth and deal-closure rates.

Salesforce is placing a major bet on a new offering called Agentforce. This is a set of so-called AI “agents” that can be easily programmed by customers using Salesforce’s existing software tools to automate things such as customer service, marketing campaigns and business

Salesforce revenue growth



Note: Fiscal year ends January.

FY2025 is midpoint of company projection

Source: the company

procurement. ServiceNow unveiled its new AI-agent tools last week.

But Salesforce seems to have pivoted quickly to the technology. The company first discussed Agentforce in its earnings call three weeks ago and announced the service last week. Salesforce CEO Marc Benioff told a Goldman Sachs investment

conference last week that Salesforce will be hosting 25 events between now and the end of the year to push Agentforce to its customer base.

Salesforce needs to sell hard. While its financial performance improved in the latest quarter compared with a disastrous report three months prior, Salesforce expects revenue to grow by less than 9% in the fiscal year ending in January—half the growth rate it averaged over the previous three years. The company sharply improved its adjusted operating margins, but single-digit growth is a tough pill to swallow—especially with **Microsoft** and **Oracle** accelerating past it.

And, relative to other AI-hyped companies at least, the bar for Salesforce may be low. “At this point, we believe very little optimism is priced into the shares as it relates to the company’s AI opportunity,” wrote Kirk Materne of Evercore ISI.

Having nowhere to go but up isn’t always a bad place to be.

—Dan Gallagher

PAID ADVERTISEMENT

WE FIGHT FOR YOUR HEALTH EVERY DAY. TODAY, THAT MEANS FIGHTING THE FTC.

As an advocate who takes pride in being the primary line of defense for millions of Americans against rising health costs, we feel we have no choice but to sue the Federal Trade Commission.

This was an extremely difficult decision to make, so we want to make ourselves unequivocally clear as to why.

Until recently, we believed the FTC was our partner in the fight to make medications more affordable and accessible for the American people. But their report about the Pharmacy Benefit Manager industry published on July 9, 2024,¹ leads us, as well as an FTC Commissioner, to believe that the agency is not acting in the public interest. That is why we are calling on the FTC to retract the report.

The FTC is supposed to “protect the public from deceptive or unfair business practices and from unfair methods of competition”² — all things that we value immensely and make possible every day. Unfortunately, this report not only falls short on both counts, but jeopardizes the ability of PBMs to advocate for the health of the American people.

We're advocates for affordability, not misinformation.

PBMs make life-changing medications more affordable for the American people, as proven by third-party reports. Reports outlining how PBMs pass nearly 100% of rebates and fees to employers, labor unions, government agencies, and health plans.³ That highlight how PBMs inspire innovation and foster competition to keep prices low. That explain in detail how PBMs benefit both plan sponsors and patients. And how programs we've developed result in up to 27% higher medication adherence⁴ and 23% fewer inpatient hospitalizations.⁵ The FTC's report fails to acknowledge any of these findings — and is just one example of the failure of the Commission's leadership to protect the American people.

We're advocates for facts, not conjecture.

Over 75% of the citations in the FTC's report come from public comments,⁶ including over 160 of which were anonymous, treated like fact, not empirical, quantifiable evidence.⁷ Only by disavowing its longstanding practice of applying rigorous, economic analysis to verifiable evidence was the FTC able to reach these unfounded conclusions, which contradict the agency's own previous fact-based reports. For example, in 2005 the Commission found that PBMs play a significant role in making health care more affordable and encouraging competition — and nothing has changed.⁸ The health of the American people is on the line. They deserve better.

We're advocates for objectivity, not bias.

One of the FTC's own Commissioners dissented from the report because it favors “ideological buzzwords” over the physical and financial well-being of the American people.⁹ Even the inflammatory name of the report has been called into question. All of which supports prior red flags raised by the U.S. House Judiciary Committee over the biases, mismanagement, and inexperience of the Commission's leadership.⁹ We second these observations.

We're advocates for due process, not convenient timing.

Billions of data points were provided by PBMs to the FTC in response to their demands.⁶ Everything from benefit design information and itemized out-of-pocket costs to drug reimbursement details. The majority of this data was not included in the report, much less analyzed by the FTC. It's no wonder bipartisan analysts agree that the published report was released before key analyses were finished. It was.

We're advocates for people. We're advocates for health.

“Protecting the public” is the FTC's sole mission, and yet the astronomical prices Americans pay for prescriptions were not mentioned once in the report. Also conveniently excluded were our own efforts to reduce those costs: covering over 99% of all generics on the market,¹⁰ helping to offer next-generation treatments like a Humira[®] biosimilar for as low as \$0 out-of-pocket, saving patients \$3,500 on average per year,¹¹ and leading the way in capping insulin prices at \$25 per month for millions of people before the federal government mandated it.¹²

The facts are the facts. Pharmaceutical companies set and raise drug prices. PBMs lower them. And the FTC's leadership has ignored that PBMs do more to lower drug prices for Americans and foster competition than any other participant in the marketplace, wasting government resources on a report that appears to side with and support those responsible for skyrocketing drug prices. Which is why, as your advocate, we could not stand idly by and do nothing.

We know there is more work to be done to make the health care system work better. We remain steadfast in our purpose to make health care more affordable, more accessible, and to improve health outcomes for those we serve.

See how we're making it possible at evernorth.com/advocate

Express Scripts

By EVERNORTH

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