

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Inflation slowed in August** to 2.5%, a three-year low, extending the consumer-price index's cooling streak to five months and teeing up the Fed to begin cutting interest rates at a meeting next week. **A1**
- ◆ **Volkswagen's tepid sales**, tougher competition and costly electric-vehicle strategy have left its stock trading around 14-year lows, mirroring Germany's broader economic woes. **A1**
- ◆ **Norfolk Southern fired** its CEO, Alan Shaw, citing his romantic relationship with the railroad company's chief legal officer, who was also ousted. **B1**
- ◆ **Many global businesses** are pushing China down on their list of investment destinations and consolidating operations in the country, citing slower growth and diminishing profits. **B1**
- ◆ **PricewaterhouseCooper's** U.S. unit is laying off 1,800 workers, its first formal layoffs since 2009, and restructuring its products and technology group. **B3**
- ◆ **Now-bankrupt Steward** Health Care in 2016 paid a \$790 million dividend—the lion's share going to the hospital chain's private-equity owner, Cerberus Capital Management. **B1**
- ◆ **Zara parent Inditex** said sales grew at a steady pace in the first half, as shoppers bought more clothes and the company held off on big price increases. **B2**
- ◆ **Stocks reversed** early losses to end the day near session highs. The Dow industrials were up 0.3%, the S&P 500 rose 1.1% and the Nasdaq added 2.2%. **B9**
- ◆ **Amazon plans to spend** \$10.5 billion over the next five years in cloud and AI infrastructure in the U.K. amid rising demand for the services. **B4**

World-Wide

- ◆ **Republicans expressed** frustration that Trump didn't help his candidacy during Tuesday's debate, as the former president complained about the moderators and cast doubt on whether he would debate Harris again. **A1**
- ◆ **Trump doubled down** on claims that immigrants in Ohio are eating people's pets, amplifying a falsehood dismissed by officials in the state. **A4**
- ◆ **The U.S. is moving** aircraft and commandos into coastal West Africa in an urgent effort to try to stop the march of al Qaeda and Islamic State militants. **A1**
- ◆ **Social Security recipients** are on track for a smaller cost-of-living adjustment next year, expected to be 2.5%, amid cooling inflation. **A2**
- ◆ **Francine made landfall** in Louisiana as a Category 2 hurricane, bringing strong winds and heavy rain. **A3**
- ◆ **Fewer Black students** enrolled in Harvard's class of 2028, the first group affected by the Supreme Court's ruling last summer that schools can't consider race in admissions. **A3**
- ◆ **House Speaker Johnson** scrapped a planned vote to avoid a government shutdown amid opposition from Republican lawmakers. **A5**
- ◆ **Blinken signaled** that the West is considering giving Ukraine more freedom to strike deeper inside Russian territory, as Russia adds Iranian missiles to its arsenal. **A16**
- ◆ **Mexico's legislature** approved a contentious overhaul of the judicial system. **A16**
- ◆ **Died: Alberto Fujimori, 86**, former Peruvian president. **A16**

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Inflation Slows to 3-Year Low

August's 2.5% rate extends cooling and keeps Fed on track to cut next week

By DAVID UBERTI AND NICK TIMIRAO

Inflation eased in August to a new three-year low, teeing up the Federal Reserve to begin gradually reducing interest rates at a meeting next week.

The consumer-price index climbed 2.5% from a year earlier, according to the Labor Department, decreasing from 2.9% in July and extending its

cooling streak to five months. Core inflation, a measure that excludes volatile food and energy costs, held about steady at 3.2%.

Economists surveyed by The Wall Street Journal had expected overall prices to have risen 2.6% from a year ago, as well as a 3.2% increase in core prices.

The report likely cemented a shift in focus by the Fed from inflation, which has receded from 40-year-highs, and toward a cooling labor market, where softer hiring has sparked concerns of broader deterioration in the economy. Major stock indexes swung

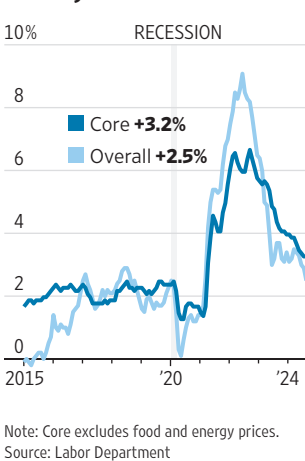
between gains and losses Wednesday, extending a run of volatile trading sessions linked to economic data. The S&P 500 veered as much as 1.6% lower before rebounding to a 1.1% gain by the closing bell. The yield on 10-year Treasuries inched upward, to 3.653%, but remained near its lowest level of the year.

Firmer shelter inflation

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- ◆ **Social Security raise to shrink next year.....** A2
- ◆ **James Mackintosh: Signal flashing for recession?... B1**
- ◆ **Stocks reverse day's early declines.....** B9

Consumer-price index, change from a year earlier



Nation Remembers and Mourns on 9/11



REFLECTION: People gathered to remember the victims of the Sept. 11 terrorist attacks at memorial sites in New York, above, Shanksville, Pa., and the Pentagon in Virginia on the 23rd anniversary. Nearly 3,000 people were killed.

Bad Behavior Plagues Saudi Project

By RORY JONES

Neom executives were summoned to the office to manage a crisis: Three workers had recently died toiling on the world's biggest construction project.

Wayne Borg, a former Hollywood executive hired to run Neom's media division, expressed frustration over the interruption to his evening.

"A whole bunch of people die so we've got to have a meeting on a Sunday night," he said on a phone call, ac-

cording to a recording heard by The Wall Street Journal. He said the project's blue-collar workers from the Indian subcontinent had been "f—ing morons" and "that is why white people are at the top of the pecking order."

The Australian is among thousands of expatriates hired to turn the monumental visions of Crown Prince Mohammed bin Salman into reality. Neom, his signature initiative, markets itself as "the land of the future, where the greatest minds and best talents are

empowered to embody pioneering ideas."

In practice, the project has become a magnet for executives with checkered pasts and inappropriate workplace behavior, according to current and former executives and documents, emails and recordings reviewed by the Journal.

Borg, 59 years old, has been recorded making racist and misogynistic comments. Another top manager has a corruption conviction in his home country and remains under investigation there. Neom has investi-

gated other star executives for embezzlement. Subordinates said Neom's chief executive berates and belittles employees.

The workplace issues illustrate a broader problem for Mohammed. He has made Neom the symbol of his ambitious reform program and is investing hundreds of billions of dollars of oil money building it, with plans to host the Asian Winter Games and the FIFA World Cup there. If Neom fails, the 39-year-old de facto ruler risks squandering

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U.S. Moves To Counter West Africa Islamic Militants

By MICHAEL M. PHILLIPS AND BENOIT FAUCON

The U.S. is moving aircraft and commandos into coastal West Africa in an urgent effort to try to stop the march of al Qaeda and Islamic State militants across one of the world's most volatile regions.

U.S. forces were evicted this summer from their regional stronghold in Niger, farther inland, and now the Pentagon is patching together a backup counterinsurgency plan in neighboring countries—refurbishing an airfield in Benin to accommodate U.S. helicopters, stationing Green Berets and surveillance planes in Ivory Coast, and negotiating the return of U.S. commandos to a base they used to occupy in Chad.

"Losing Niger means that we've lost our ability to directly influence counterterror-

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SPORTS

The Olympic break dancer everyone laughed at? She is now No. 1 in the world. **A12**



BUSINESS & FINANCE

The collapse of Envia, once a green-energy superstar, jolts investors. **B1**

Your Kid's Classroom Now Has Better Decor Than Your Home

Gen Z teachers go all out to decorate; some say it's too much. 'Like West Elm for kids.'

By CHAVIE LIEBER

Kayleigh Sloan's students are years from drinking coffee. But every day, when the first and second-graders burst into class, they get a taste of cafe culture: Sloan has meticulously renovated the room to channel a 1970s coffee shop. Her classroom in Northern

Idaho is now bathed in brown, cream and beige, for a "homey, cozy feeling," as the 27-year-old teacher puts it. Thrifted bohemian rugs, groovy flower pillows, wicker baskets and a mod green arm-chair round out the ambience.

"I have been in a boring classroom where you can't

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Germany's Problems Are VW's Problems As High Costs Rage

Volkswagen is going through its deepest crisis in years. So is Germany. And that's no coincidence.

While the carmaker's travails are exposing missteps, they also show how Germany's economic model is struggling

By Bertrand Benoit in Berlin and Stephen Wilmot in London

to keep up with a changing world. Fixing these problems will require changes both for the carmaker and one of the world's largest economies.

"VW's problems mirror to a degree the problems of the German economy, and the problems of the German economy are reflected in VW," said Moritz Schularick, president of the Kiel Institute for the World Economy, an independent think tank. "Resistance to change is something that hangs over both."

Tepid sales, mounting foreign competition, and an expensive electric-vehicle strategy that hasn't wowed buyers have left VW's stock trading

Trump's Debate Missteps Have GOP Fretting

Nominee criticizes moderators, casts doubt on facing off vs. Harris second time

By KEN THOMAS AND ALEX LEARY

PHILADELPHIA—Republicans expressed frustration that Donald Trump didn't help his candidacy during Tuesday's debate against Kamala Harris, as the former president complained about the event's moderators and cast doubt on whether he would agree to another face-off.

GOP lawmakers and others fretted that Trump had missed chances to challenge the vice president on her record, and instead let his own controversies become the bigger story as Harris's needling got under his skin.

Trump claimed that he won the debate, but he also said Wednesday morning that the ABC News debate moderators were unfair to him and that he was "less inclined" to debate the vice president again, despite previously calling for more debates. The Democratic nominee's team pressed for another, indicating confidence that she won the first round.

It wasn't immediately clear whether the televised event, which drew more than 67 million viewers according to data, would have a measurable impact on a race that was upended seven weeks ago when Harris became the nominee after a disastrous June debate performance by President Biden against Trump. Polls have shown a race that appears to be a coin flip between the two contenders, who are vying for support across roughly seven battleground states, including Pennsylvania, and most voters had entrenched views of Trump before Tuesday's debate.

But concerns from Republicans spilled out in the aftermath of the Philadelphia debate, in which Harris successfully put her opponent on the defensive by baiting

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- ◆ **Undecided voters weigh in on debate.....** A4
- ◆ **Moderators' fact checks get mixed reviews.....** A4
- ◆ **Taylor Swift didn't plan with Harris campaign.....** A5