

# THE WALL STREET JOURNAL.

DOW JONES | News Corp \*\*\*\*\*

FRIDAY, AUGUST 23, 2024 ~ VOL. CCLXXXIV NO. 46

WSJ.com

★★★★ \$5.00

DJIA 40712.78 ▼ 177.71 0.43% NASDAQ 17619.35 ▼ 1.7% STOXX 600 515.74 ▲ 0.3% 10-YR. TREAS. ▼ 22/32, yield 3.862% OIL \$73.01 ▲ \$1.08 GOLD \$2,478.90 ▼ \$29.50 EURO \$1.1113 YEN 146.30

## What's News

### Business & Finance

◆ **Fed Chairman Powell** is on the brink of winning the inflation battle without a recession, but the next few months will be crucial. **A1**

◆ **Stocks declined** ahead of a Powell speech to central bankers. The Dow, S&P 500 and Nasdaq fell 0.4%, 0.9% and 1.7%, respectively. **B9**

◆ **PG&E is racing** to confront an uptick in fires ignited by the California utility's power lines ahead of the riskiest months of wildfire season. **B1**

◆ **Ford's decision** to kill a highly touted future EV is a sign that the industry's pull-back on EVs is deepening. **B1**

◆ **Canada ordered** an end to a work stoppage at the country's two main railroads, saying an arbitrator would resolve disputes that disrupted North American freight traffic and supply chains. **B1**

◆ **Air Canada pilots** have voted to strike if necessary to break a contract impasse. **B3**

◆ **Skydance Media** is accusing Paramount's special committee of directors of breaching the terms of its deal, according to a letter reviewed by The Wall Street Journal. **B3**

◆ **Chinese search-engine** giant Baidu reported better-than-expected profit as its AI-related business continued to grow. **B3**

◆ **Nestlé said** longtime CEO Mark Schneider is leaving the company. **B3**

◆ **Tesla's head of finance** operations has left the company, further shuffling the EV maker's top ranks. **B4**

◆ **Advance Auto Parts** has agreed to sell its Worldpac subsidiary to Carlyle Group for \$1.5 billion in cash. **B4**

### World-Wide

◆ **Kamala Harris** took the stage at the Democratic Convention to accept the presidential nomination. She used her address to portray Trump as a threat to freedom and outline the themes of her campaign agenda, including abortion rights and boosting the middle class. **A1, A4**

◆ **The FDA approved** two new Covid-19 shots, both of which target an offshoot of Omicron known as the KP.2 strain. **A3**

◆ **Kyiv used** aerial drones to attack an air base in Russia's Volgograd region in an escalating campaign of long-range strikes seeking to damage Moscow's war machine. **A7**

◆ **Ukrainian troops** said they are moving to encircle 3,000 Russian troops that are hemmed against a river in Russia's Kursk province. **A7**

◆ **A cyberattack** on North Miami, Fla., this month took down public services and is serving as a test of policies that outlaw ransom payments. **A3**

◆ **An evaluation** of more than 1,500 climate policies in 41 countries found that only 63 actually worked to reduce greenhouse gas emissions. **A3**

◆ **The breakup** of a Chinese rocket following a satellite launch generated a fresh field of debris and new concern over Beijing's attitude toward space junk. **A8**

◆ **Mike Lynch**, the British tech tycoon missing after his yacht sank off Sicily, was confirmed dead. **A8**

◆ **Brazil is tightening** visa rules to curb a wave of migrants from Africa and Asia turning the country into a stop-over on the way to the U.S. **A16**

**CONTENTS** Mansion..... M1-12  
Arts in Review..... A10-11  
Markets & Finance..... B9  
Business News..... B3  
Opinion..... A13-15  
Capital Account..... A2  
Sports..... A12  
Crossword..... A11  
Technology..... B4  
Equities..... B5  
U.S. News..... A2-4,6  
Heard on Street..... B10  
World News..... A7-8,16



© 2024 Dow Jones & Company, Inc.  
All Rights Reserved

# Harris Makes Her Case to Nation



CHARLY TRIBALLEAU/REUTERS

Kamala Harris took the stage Thursday night to deliver her speech accepting the Democratic nomination for president.

Nominee pledges to defend abortion rights, faults Trump on failed border deal

BY TARINI PARTI  
AND KEN THOMAS

CHICAGO—Kamala Harris frequently recalls her mother telling her that she might be “the first to do many things” but to make sure she isn’t the last. Yet as Harris formally accepted the Democratic presidential nomination Thursday, the vice president didn’t directly invoke the historic nature of her candidacy.

Instead of leaning into what her campaign thinks is obvious, the 59-year-old former California senator and prosecutor tried to accomplish something she has struggled to do since her unsuccessful presidential bid in 2019: provide a clear picture to Americans of what she stands for—and why.

“I will be a president who unites us around our highest aspirations,” Harris said. “A president who leads—and listens. Who is realistic, practical and has common sense. And always fights for the American people. From the courthouse to the White House, that has been my life’s work.”

Harris sought to use the prime-time address to pitch Americans on her central campaign message since unexpectedly replacing President Biden at the top of the Democratic ticket. She portrayed her opponent, former President Donald Trump, as a threat to freedom, arguing she has a more forward-looking agenda on protecting abortion rights and on expanding economic mobility for the middle class.

“Donald Trump is an unserious man, but the consequences of putting Donald Trump back

Please turn to page A4

◆ **Greg Ip: In campaign '24, RIP economics.....** A2  
◆ **Both parties race to fill in blanks on Harris.....** A4  
◆ **Who could serve in a Harris cabinet?.....** A4

# Advisers Craft Policy Agenda In a Narrow Political Window

BY ANDREW RESTUCCIA  
AND TARINI PARTI

CHICAGO—Joe Biden came into office trumpeting a sweeping agenda to rescue the shellshocked U.S. economy, with his advisers comparing his ambitions to those of Presidents Lyndon Johnson and Franklin D. Roosevelt. Nearly four years later, Kamala Harris faces a very different moment.

If she wins the presidency,

she would take office with a relatively strong economy and the political appetite for big, expensive legislative swings severely diminished. Biden already spent trillions of dollars putting in place an agenda that encompassed many of the Democratic Party’s boldest ideas.

Now, just weeks after she rose to the top of the ticket, Harris is trying to map out an agenda that matches Biden’s ambitions but fits into that

much narrower reality—particularly if Congress is divided or fully under GOP control.

“It’s going to be very difficult for her,” said Moody’s Analytics chief economist Mark Zandi. “She’s not going to have the same kind of carte blanche to spend. She can’t be as big and bold. There’s no prospect for another \$2 trillion plan.”

The vice president’s economic advisers are scrambling to assemble a policy agenda on

the fly. Less than five weeks ago, she and her team were still expecting to play a supporting role for Biden, and they had done little to prepare for taking over the White House.

A policy development process that typically takes presidential candidates months—or years—to get right has been truncated, with just over 70 days to go until Election Day. Harris faces the challenge of

Please turn to page A6

# A Make-or-Break Moment For the Economy Has Arrived

Next few months will be crucial for Fed Chair Jerome Powell

BY NICK TIMIRAO

There’s a saying that economic expansions don’t die of old age: They’re murdered by the Federal Reserve.

Fed Chair Jerome Powell has spent the past two years determined to beat inflation even if it resulted in recession. Now he’s on the brink of winning the battle without bringing down the economy, but the next few months will be crucial.

If he succeeds and maneuvers the economy to a soft landing that brings inflation down without a big rise in unemployment, it’ll be a historic achievement worthy of the central banking Hall of Fame. If he fails, the economy will slide into recession anyway under the weight of higher interest rates—and he’ll have

proved the old maxim about the Fed.

Powell and his colleagues have signaled in recent weeks that they’re ready to start cutting rates when they next meet in September, with price pressures now easing but the jobs market cooling. That’s put attention on how fast officials should bring down rates from a two-decade high.

For Powell, the last phase of the Fed’s inflation fight marks a make-or-break moment. How he plans his approach will loom over the central bank’s annual conference in Wyoming’s Grand Teton National Park this week.

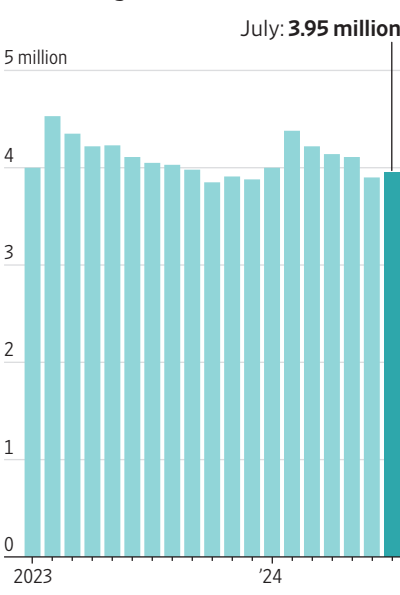
When Powell spoke there two years ago

Please turn to page A9

◆ **Stocks fall ahead of Powell speech.....** B9  
◆ **Global economy shows resilience.....** A16

## Home Sales Climb Slightly

U.S. existing-home sales



Note: Seasonally adjusted at an annual rate; July 2024 is preliminary.  
Source: National Association of Realtors

U.S. home sales edged up in July, ending a four-month streak of declines, and prices remained near record highs at a time when the cost of housing has become a hot-button election issue. Mortgage rates have fallen in recent weeks, which helped boost sales modestly in July. But the volume of existing-home sales has been stuck at low levels all year, and the spring selling season, usually the busiest time of year for the housing market, was a flop. **A3**

## Haggis Anyone? The Quest To Make Scottish Food Hip

\* \* \*

The cuisine, sometimes a hard sell, is treated like a delicacy in London

BY JAMES HOOKWAY

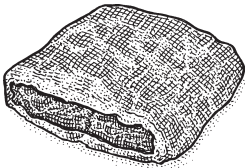
LONDON—A few years ago, Scottish soccer fans serenaded their hosts at a game in Italy with a sinister threat. “Deep fry your pizzas! We’re gonna deep fry your pizzas,” they sang to the tune of *Guantanamera*, the Cuban folk song.

They weren’t entirely kidding. Some Scots like nothing better than a pizza or a haggis battered and fried and served with fat greasy fries after a few beers on a Saturday night.

It can make Scottish cuisine a hard sell compared with French or Italian. The stodgier fare might rival what’s found at state fairs in America when it comes to clogging arteries.

But Scotland is also responsible for smoked mussels, tattie scones, which are a kind of potato pancake, and chewy bread rolls stuffed with bacon, egg or sausage and an obligatory squirt of a vinegary brown sauce. The rolls in particular make life worth living, *aficio*

Please turn to page A9



Upper crust

## INSIDE



**MANSION**  
Lisbon attracts international buyers even as visa program changes. **M1**

**BUSINESS & FINANCE**  
PG&E races to confront an uptick in wildfires ignited by its power lines. **B1**

## Chipotle CEO Inherits A Recipe for Success

BY HEATHER HADDON

Chipotle Mexican Grill hired Scott Boatwright seven years ago to help fix the chain. His next job is simple: Don’t break it.

The Mexican-inspired restaurant company is for now turning to Boatwright, its longtime operations head, to maintain a run of strong sales and profit that have helped Chipotle buck broad industry malaise. Boatwright steps into the top role on an interim basis after Brian Niccol, Chipotle’s chief executive officer since 2018, was tapped last week to run Starbucks.

Niccol’s hiring was cheered by Starbucks investors—and mourned by Chipotle’s, with its stock dropping 7.5% on the day of the announcement.

Starbucks touted Niccol’s decades of restaurant experience and marketing skill, which helped turn around Chipotle and more than double the burrito chain’s annual sales between 2017 and 2023.

Chipotle had been riding high before Niccol’s surprise exit. The company said in July that same-store sales grew by about 11% in the quarter ended June 30, when Starbucks and other big chains reported traffic declines. Chipotle expects its same-store sales to increase at least 5% this year.

Niccol has largely been Chipotle’s public face as the Newport Beach, Calif.-based company moved past food-safety problems and rebuilt its brand. Behind the scenes, Niccol has been backed by a team

Please turn to page A2