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DJIA 40736.96 ▼ 92.63 0.23% NASDAQ 17025.88 ▲ 0.8% STOXX 600 507.95 ▼ 0.5% 10-YR. TREAS. ▲ 14/32, yield 3.643% OIL \$65.75 ▼ \$2.96 GOLD \$2,512.30 ▲ \$10.50 EURO \$1.1020 YEN 142.46

What's News

Business & Finance

◆ **Household incomes** rose last year, marking the first increase since Covid-19 struck, as pandemic disruptions and surging inflation eased. **A1**

◆ **A giant unregulated** currency, the cryptocurrency tether, is undermining the U.S.'s fight against arms dealers, sanctions busters and scammers. **A1**

◆ **Goldman Sachs** is facing mounting losses as it tries to offload the remaining pieces of its credit-card lending business. **A1**

◆ **Southwest Airlines** Executive Chairman Gary Kelly will step down next year in a big board shake-up as the airline faces pressure from an activist investor. **B1**

◆ **Apple and Alphabet's** Google lost attempts to overturn multibillion-dollar rulings in the EU, marking a win for competition authorities in their efforts to rein in alleged abuses by big tech. **B1**

◆ **New Starbucks CEO** Brian Niccol said that improving the U.S. store operations is his first priority. **B1**

◆ **AngloGold** agreed to buy smaller peer Centamin in a deal valuing it at \$2.5 billion. **B3**

◆ **BMW** shares tumbled after the carmaker lowered its sales and earnings targets. **B3**

◆ **Keurig Dr Pepper** has agreed to pay a civil penalty to settle SEC charges over recycling claims for its K-Cups. **B3**

◆ **The Dow** fell 0.2% while the S&P 500 and Nasdaq rose 0.4% and 0.8%, respectively. Benchmark U.S. crude dropped 4.3%, fell to \$65.75 a barrel, its lowest level since December 2021. **B11**

World-Wide

◆ **Harris sought** to lay out her vision for the country and warned of the dangers of electing Trump again, while he attacked her immigration and economic record in their first—and possibly only—debate. **A1**

◆ **Francine**, the first hurricane to form in four weeks, was set to make landfall Wednesday along the Louisiana coast, bringing winds and a storm surge from the northeast Texas coast to the Alabama-Florida border. **A3**

◆ **House Speaker Johnson** said he planned to move ahead with a bill tying tighter rules on voter identification to a stopgap spending patch. **A3**

◆ **SpaceX** launched a multi-day flight that seeks to break new ground with the first-ever private spacewalk. **A3**

◆ **U.S. and European allies** are pushing Kyiv to formulate a war plan for what it can achieve in the next year. **A6**

◆ **Opinion polls in Ukraine** show support for some kind of negotiations with Moscow creeping upward. **A6**

◆ **Israel launched** an airstrike targeting Hamas in an area it had designated for displaced people, an attack Gaza officials say killed at least 19 people. **A7**

◆ **The six Israeli hostages** recently slain by Hamas spent their final weeks in a narrow tunnel with a ceiling too low for standing. **A7**

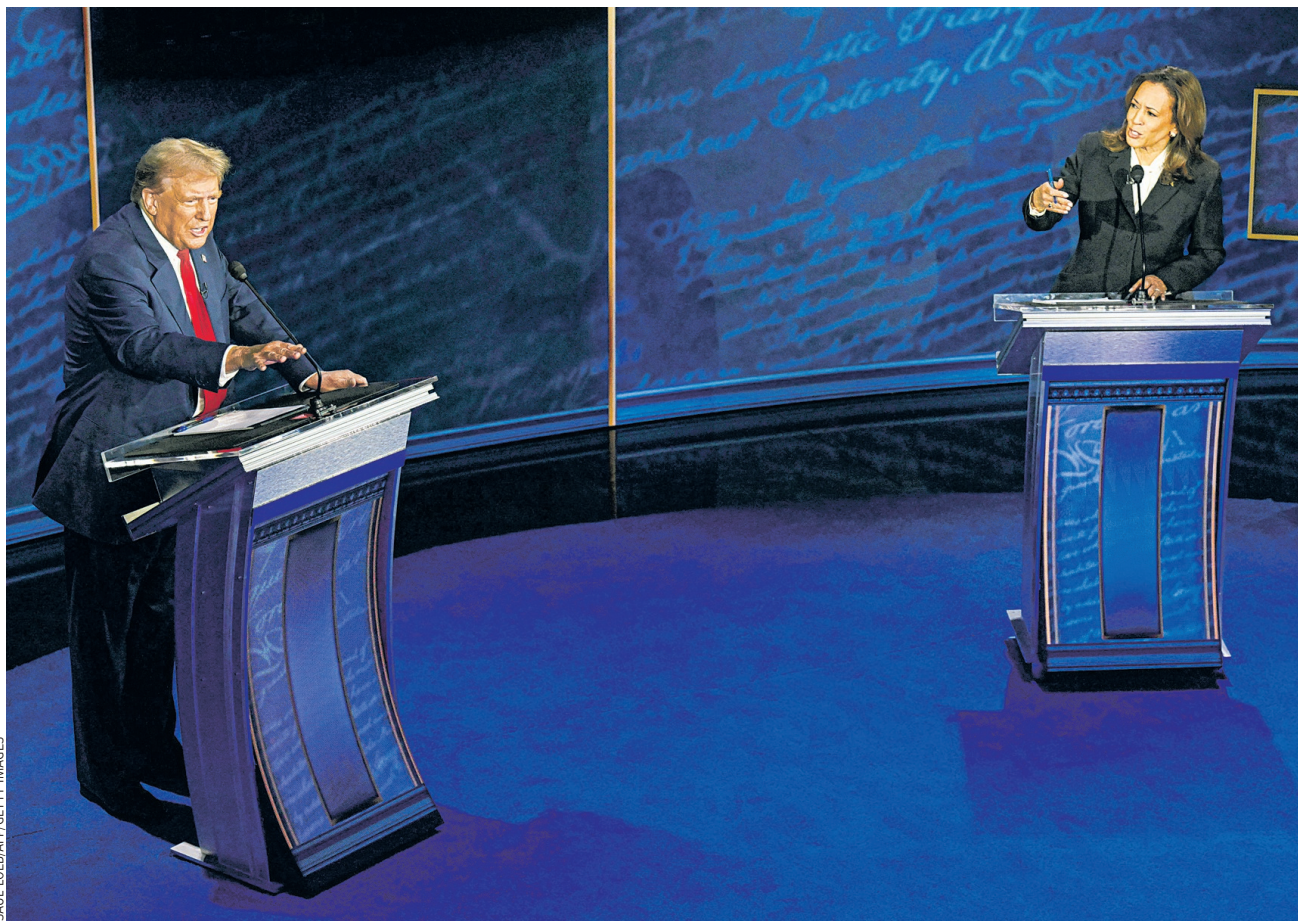
◆ **A fourth person** has died from Legionnaires' disease in upstate New York. **A5**

◆ **China took a step** toward raising its unusually low age benchmarks for when state employees have to retire. **A9**

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The debate Tuesday between Donald Trump and Kamala Harris began with a handshake and grew increasingly combative.

Trump and Harris Clash in Debate On Abortion, Economy, Migration

By TARINI PARTI AND VIVIAN SALAMA

Vice President Kamala Harris sought to lay out her vision for the country and warned of the dangers of electing former President Donald Trump again, while he attacked her immigration and economic record, repeatedly casting her as too liberal in their presidential debate eight weeks before Election Day.

The debate Tuesday, hosted by ABC News in Philadelphia, came after weeks of bickering over debate rules, which were set before Harris became the Democratic nominee. The previous debate, in late June, resulted in President Biden's exit from the race after his halting debate performance against Trump.

The debate began in a more civil tone than the Biden-Trump face-off, with the vice president initiating a handshake with the Republican presidential nominee. Their exchanges grew progressively more combative, with the candidates shaking their heads at each other's answers.

Trump at one point grew irritated when the vice president suggested that people leave his political rallies early out of boredom. He responded by claiming that the U.S. is on the verge of World War III and its citizens are living in squalor under the Biden-Harris administration.

Harris drew a contrast from the start between her economic agenda and middle-class upbringing with Trump's, calling the former

president's proposal to raise tariffs a "Trump sales tax" and criticizing his plans to extend tax cuts for the wealthy.

"I am actually the only person on this stage who has a plan that is about lifting up the middle class and working people of America," she said, adding: "Donald Trump actually has no plan for you because he's more interested in defending himself than he is in looking out for you."

Trump was asked about his repeated criticism of the Affordable Care Act and whether he had an alternative plan to offer. "I have a concept of a plan," he said.

The former president painted a picture of a nation that has plunged into chaos and despair since he left office. He aggressively pinned Harris

to problems at the border during the Biden administration, reiterating his unsupported claim that the administration is allowing people from prisons, mental institutions and "insane asylums" to enter the country illegally.

"They're coming in, and they're taking jobs that are occupied right now by African-Americans and Hispanics and also unions," Trump claimed. "They're going in violently. These are the people that she and Biden let into our country, and they're destroying it."

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- ◆ **GOP tries to tie Harris to Afghanistan**..... A4
- ◆ **Taylor Swift endorses vice president**..... A4
- ◆ **Walz aims to play nice, but not always**..... A5

Goldman's Card Exit Is Stymied By Its Lax Lending

By ANNA MARIA ANDRIOTIS

Behind Goldman Sachs's messy departure from credit-card lending: lax underwriting standards.

The bank is facing mounting losses—including a roughly \$400 million pretax hit disclosed Monday—as it tries to offload the remaining pieces of its Main Street lending business.

Goldman Chief Executive David Solomon said Monday the bank expects to incur the loss on the eventual sale of its General Motors credit-card business and a smaller, unrelated business.

Goldman has been in talks for months with GM and Barclays about transferring the carmaker's credit-card business to the British bank, The Wall Street Journal reported in April.

Barclays has been unwilling to pay the price Goldman originally expected, in large part because of high charge-off rates in the program, according to people familiar with the matter. Charge-off rates refer to the portion of the balances the issuer has to write off because borrowers are unlikely to pay it back.

Barclays remains in exclusive talks for this program but is in no rush to finalize a deal, according to people familiar with the talks. Goldman will likely receive less than the outstanding balances after having paid a premium to buy them.

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Ukraine Drones Hit Moscow



A wave of drones targeted Russia, including a residential building, above, in the Moscow region. The drone attacks killed one woman and injured six other people. **A6**

Strollers Go to the Dogs in Nation With Ultra-Low Birthrate

Pooches in prams outpace baby carriages in South Korea, leaving officials barking mad

By DASL YOON AND SOOBIN KIM

SEOUL—After pushing a stroller to a park near her home in a Seoul suburb, Kang Seung-min plopped down on a bench. Then an elderly woman approached, looking for a friendly chat with Kang about motherhood.

"I'm not even married yet," Kang, 24, responded.

The startled woman stared into the stroller and took in the little passenger: a brown poodle named Coco. She left, imploring Kang to start a family. "I don't want to get married," Kang says. "I'd rather spend

money on my dog."

A global discourse has emerged, including in the U.S., about childlessness and the reluctance to bear offspring. But the hand-wringing might be at its fiercest in South Korea, home to the wealthy world's lowest birthrate, as well as another distinction that has fur flying: the skyrocketing sales of dog strollers, which last year outpaced those of baby strollers for the first time, according to Gmarket, one of South Korea's largest online retailers. The trend held true for the first six

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He Spent Billions For Musk's Favor

College dropout invests time, money to cozy up with the world's richest man

By BERBER JIN AND ROLFE WINKLER

Venture capitalist John Hering was 21 years old when he turned a publicity stunt into a billion-dollar startup.

He lurked in the crowd outside the 2005 Academy Awards and clandestinely scanned the cellphones of arriving celebrities. As expected, he found security holes that exposed the superstars to hackers. Hering touted his findings, drawing notice to a

cybersecurity outfit that he and tech-savvy friends started while at the University of Southern California.

After falling short of broader success, Hering turned his promotional talent to a singular quest—earning a seat beside Elon Musk atop the tech world's Mount Olympus.

To win Musk's favor, and ensure access to funding rounds of his startups, Hering and Alexander Tamas, a German tech

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A Crypto Shadow Dollar Undermines Sanctions

By ANGUS BERWICK AND BEN FOLDY

A giant unregulated currency is undermining the U.S.'s fight against arms dealers, sanctions busters and scammers. Almost as much money flowed through its network last year as through Visa cards. And it has recently minted more profit than BlackRock, with a tiny fraction of the workforce.

Its name: tether. The cryptocurrency has grown into an important cog in the global financial system, with as much as \$190 billion changing hands daily.

In essence, tether is a digital U.S. dollar—though one privately controlled in the British Virgin Islands by a secretive crew of owners, with its activi-

ties largely hidden from governments.

Known as a stablecoin for its 1:1 peg to the dollar, tether gained early use among crypto aficionados. But it has spread deep into the financial underworld, enabling a parallel economy that operates beyond the reach of U.S. law enforcement.

Wherever the U.S. government has restricted access to the dollar financial system—Iran, Venezuela, Russia—tether thrives as a sort of incognito dollar used to move money across borders.

Russian oligarchs and weapons dealers shuttle tether abroad to buy property and pay suppliers for sanctioned goods. Venezuela's sanctioned state oil firm takes payment in tether for cargoes. Drug car-

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Incomes In U.S. Post First Rise Since Pandemic

Census data show median household in 2023 earned 4% more than in 2022

By JON KAMP AND PAUL OVERBERG

Household incomes in the U.S. rose last year for the first time since the Covid-19 pandemic began, reflecting the effects of easing inflation and a strong job market.

The new data from the Census Bureau on Tuesday signaled an improvement in 2023 after inflation that spiked to a 40-year-high the prior year swallowed up household income gains.

Inflation-adjusted median household income was \$80,610 in 2023, up 4% from the 2022 estimate of \$77,540, the bureau said in its annual report card on households' financial well-being. This move returned incomes to about where they were in 2019, the peak that was hit just before the pandemic.

The census report included

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