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PERSONAL JOURNAL | D1



Where Are Trump's TV Commercials?

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DJIA 18313.77 ▼ 90.74 0.5% NASDAQ 5137.73 ▼ 0.9% STOXX 600 335.47 ▼ 1.3% 10-YR. TREAS. ▼ 11/32, yield 1.537% OIL \$39.51 ▼ \$0.55 GOLD \$1,364.40 ▲ \$13.00 EURO \$1.1225 YEN 100.89

What's News

Business & Finance

Biogen has drawn take-over interest from Merck and Allergan, raising the possibility of another huge health-care deal. **A1**

◆ **The biggest U.S. firms** logged another quarter of tepid results, shadowed by economic uncertainty. **A1**

◆ **Consumer spending** rose for the third straight month in June, growing 0.4%. **A2**

◆ **GM, Ford and Toyota** saw U.S. sales slip in July, another sign the auto industry is entering a sustained plateau. **B1**

◆ **Aetna projected** a loss on ACA plans for 2016 and said it would re-evaluate its participation in the business. **B1**

◆ **Japan's cabinet approved** a government stimulus package, the latest bid by Abe to jump-start the economy. **A9**

◆ **A selloff in Japanese** government debt rippled globally, pushing up bond yields in the U.S. and Europe. **C1**

◆ **The Dow fell** for a seventh straight session, losing 90.74 points to 18313.77. **C4**

◆ **Viacom recently held** talks with National Amusements on settling litigation surrounding Redstone's media empire. **B1**

◆ **Riverstone executives** face the prospect of returning over \$300 million of profits they made before the oil bust erased gains. **C1**

◆ **The SEC is asking** big banks to provide investors with more details about their trading businesses. **C1**

World-Wide

◆ **Trump is confronting** the roughest patch of his campaign, with even some of his strongest supporters urging him to shift gears. **A1**

◆ **George W. Bush** delivered a critique of Trump's policies, without naming the Republican nominee. **A4**

◆ **Three more DNC officials** plan to leave the organization in the wake of an email-hacking scandal. **A4**

◆ **The Obama administration** secretly organized an airlift of \$400 million to Iran that coincided with the January release of four Americans. **A1**

◆ **The U.S. again launched** airstrikes in support of an offensive to retake an Islamic State stronghold in Libya. **A6**

◆ **Olympic ticket sales** are lagging as Rio deals with a recession, a Zika epidemic and security concerns. **A8**

◆ **Health officials** are trying to reassure athletes and visitors about Zika risks. **A8**

◆ **The Treasury and IRS** proposed rules to make it harder for family firms to avoid estate and gift taxes. **A3**

◆ **Delaware's high court** struck down the state's death-penalty law. **A3**

◆ **Maduro appointed** a general indicted by the U.S. on drug-trafficking charges to be Venezuela's top cop. **A9**

◆ **New York's police head** is leaving the department for a private-sector job. **A3**

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Welcome to Rio de Janeiro, Olympians



SOLDIERING ON: Troops patrolled Rio's airport Tuesday as demand for flights, hotel rooms and tickets were all soft ahead of the Games. **A8**

Planeload of Cash for Iran

Tehran freed Americans as U.S. sent in \$400 million in foreign bills to settle old claim

By JAY SOLOMON
AND CAROL E. LEE

WASHINGTON—The Obama administration secretly organized an airlift of \$400 million worth of cash to Iran that coincided with the January release of four Americans detained in Tehran, according to U.S. and European officials and congressional staff briefed on the operation afterward.

Wooden pallets stacked with euros, Swiss francs and other currencies were flown into Iran on an unmarked cargo plane, according to these officials. The U.S. procured the money from the central banks of the Netherlands and Switzerland, they said.

The money represented the first installment of a \$1.7 billion settlement the Obama administration reached with Iran to resolve a decades-old dispute over a failed arms deal signed just before the 1979 fall of Iran's last monarch, Shah Mohammad Reza Pahlavi.

The settlement, which resolved claims before an international tribunal in The Hague, also coincided with the formal implementation that same weekend of the landmark nuclear agreement reached between Tehran, the U.S. and other global powers.

"With the nuclear deal done, prisoners released, the time was right to resolve this dispute as well," President Barack Obama said at the White House on Jan. 17—without disclosing the \$400 million cash payment. Senior U.S. officials denied

Please see **IRAN** page A6

AS SCHOOLS STRUGGLE, SO DOES SOUTH AFRICA

Orlando West, once a symbol of hope, is symptom of a broader malaise

By PATRICK MCGROARTY
AND JOE PARKINSON

SOWETO, South Africa—In a far corner of the high school that was once an incubator for black South African luminaries and their children, dozens of students killed time smoking marijuana and nyaope, a crude concoction of heroin and household chemicals.

Sipho Tshabalala, an 18-year-old student, kept a close watch over the drug sellers, customers and lookouts who crowded the lawless patch of schoolyard known as the island. "You find all kinds of comedians back here," he said on a recent morning. "You learn more than in class."

Orlando West High School used to be a symbol of hope in the township that epitomized South Africa's struggle against apartheid. Nelson Mandela, an evangelist for the power of education, lived down the



High school student Sibonelo Hadebe, 18, wants to be a botanist.

street, and in his will he left money to fund college scholarships for Orlando West students.

Yet, 22 years after Mr. Mandela was elected president on a promise to lead all South Africans to prosperity, Orlando West is failing and so are its students: Roughly half

drop out before graduation. Classes are routinely canceled because teachers stay home—so often some students say they have finished a semester without completing a page of their workbooks.

The troubles at Orlando West, at one time an exemplar of the new South Africa, Please see **SCHOOL** page A10

Economic Uncertainty Casts Shadow on Company Earnings

By THEO FRANCIS
AND KATE LINEBAUGH

America's biggest companies logged a fourth straight quarter of shrinking profits and tepid sales, as weakness from energy companies and lower business investment more than offset U.S. consumer strength.

Earnings reports for the second quarter showed improvement from the first three months, but concerns about the country's economic prospects are casting a shadow over the

outlook for the remainder of the year. Executives said they are worried about slowing industrial production and a tumultuous political climate.

Construction machinery giant Caterpillar Inc. last week cut its annual profit forecast, warned of layoffs and said it doesn't expect sluggish global growth to reverse this year. Praxair Inc., which makes industrial gases, said it would have to cut costs at one of its business lines as a result of a manufacturing slowdown in the U.S.

"Industrial production is lackluster," said Michael Kneeland, chief executive of United Rentals Inc., which rents equipment to construction and industrial firms. The company has moderated capital spending as reduced demand from the oil industry left a glut of equipment available in the market.

With just over two-thirds of S&P 500 companies reporting results, adjusted earnings—which exclude various items Please see **PROFIT** page A2

In Quest to Grow, Rivals Woo Biogen

Biotechnology giant Biogen Inc. has drawn takeover interest from drug companies including Merck & Co. and Allergan PLC, raising the possibility of another huge deal in the health-care industry.

By Dana Mattioli,
Jonathan D. Rockoff
and Dana Cimilluca

Merck and Allergan have each sounded out Biogen on the possibility of a takeover, people familiar with the matter said. The communications were informal and preliminary, and they may not result in a deal—in part because Biogen may not be interested, they added.

Biogen had a market

value of \$68 billion on Tuesday afternoon. It isn't clear whether other large drug companies also are contemplating a purchase of the company, which is searching for a new chief executive.

Whether there is a deal or not, the interest in Biogen shows the hunger big pharmaceutical companies have for new sources of growth.

After years in which their pipelines were depleted, new-drug approvals are up. But the companies have become so large that adding a new blockbuster drug in many cases isn't enough to increase growth substantially—especially given the pricing pressures that they face. Merck had a market value of \$162 billion on Tuesday. Please see **BIOGEN** page A8

Cocktail Peanuts, Short Layovers No Match for the Airport Dentist

Dr. Robert Trager tends to harried passengers at JFK; the 'Smile High Club'

By ANDREW TANGEL

Robert Trager has owned the same dental practice for about three decades. He has replaced crowns, filled cavities and comforted scores of anxious patients in his chairs, just like a regular dentist. Unlike a regular dentist, he's based in New York's John F. Kennedy International Airport.

Being an airport dentist is, oftentimes, an unusual drill. Some patients, no matter how serious their dental emergency, can't get over that the practice even exists.

"I was shocked," said Karen Eichbauer, a retired librarian who recently lost a crown to a fish dinner in Detroit just before a layover at JFK.

"What are the chances of there being a dentist right on the grounds like that?" She got her crown glued back on in time to catch a flight to Israel.

At various times, Dr. Trager has been called to help patch up two children who banged up their heads. Please see **TEETH** page A10



Dr. Robert Trager