

What's News

Business & Finance

- ◆ **The future of startup** OpenAI was in jeopardy as the vast majority of employees threatened to quit if the board that fired its chief executive, Sam Altman, didn't resign itself and restore him to the position. **A1, A2**
- ◆ **Amazon launched a program** to train millions of workers in artificial-intelligence skills as the tech giant seeks to gain an edge in a battle for talent with Microsoft, Google and other companies. **B1**
- ◆ **Workers at two Wells** Fargo bank branches launched unionization efforts, shifting attention of a resurgent labor movement to an industry that has historically been cool to it. **B1**
- ◆ **Major U.S. stock indexes** advanced, with the S&P 500, Nasdaq and Dow industrials gaining 0.7%, 1.1% and 0.6%, respectively. **B13**
- ◆ **Fisker lost its second** chief accounting officer in less than a month, the latest setback for an electric-vehicle startup that only recently started selling its first model. **B4**
- ◆ **A company run by** former New York Stock Exchange President Tom Farley said it acquired crypto-focused media company CoinDesk. **B3**
- ◆ **Bayer shares fell** sharply after the company stopped a late-stage study for a blood-thinning drug early because of lack of efficacy and was told to pay \$1.56 billion in a lawsuit relating to its Roundup weedkiller. **B3**
- ◆ **Distressed-debt manager** Invictus lost control of its flagship fund after investors ousted it for business tactics they deemed too aggressive, including during a chapter 11 bankruptcy. **B8**

World-Wide

- ◆ **Israel is shifting** the focus of its military campaign to southern Gaza, where it will likely face the hardest stage of the war as it seeks to crush Hamas and recover hostages amid a deepening humanitarian crisis. **A1, A7**
- ◆ **China is narrowing** one of the biggest gaps separating the U.S. and Chinese militaries as it makes advances in its submarine technology and undersea detection capabilities, with major implications for American military planning for a potential conflict over Taiwan. **A1**
- ◆ **A federal appeals court** ruled that voters alleging discrimination in election rules don't have a right to sue, a decision that could have a sweeping impact on voting rights if adopted by other courts. **A3**
- ◆ **More than 200 people** accused of being part of, or collaborating with, Italy's most powerful and richest crime syndicate, the 'Ndrangheta, were convicted in the country's largest mafia trial in decades. **A16**
- ◆ **Americans' support** for abortion access is at one of the highest levels on record since nonpartisan researchers began tracking it in the 1970s, results from a Wall Street Journal-NORC poll show. **A4**
- ◆ **An appeals court** signaled that it would affirm but potentially narrow a gag order imposed on Trump in the criminal case alleging he conspired to overturn his 2020 election loss. **A4**
- ◆ **Javier Milei, the self-styled** anarcho-capitalist who won Argentina's presidency, plans to abandon his country's peso and adopt the U.S. dollar as the national currency. **A16**

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Pardon Keeps Turkeys' Uneaten Streak Intact



FOWL MOOD: President Biden on Monday pardoned turkeys Liberty, shown above, and Bell, which were brought to the White House from Willmar, Minn. The annual ceremony marks the unofficial start of the holiday season in Washington.

Israel to Shift South in Gaza, Opening Tougher Phase of War

By DAVID S. CLOUD AND JARED MALINS

TEL AVIV—Israel is shifting the focus of its military campaign to southern Gaza, where it will likely face the hardest stage of the war as it seeks to crush Hamas and recover hostages amid a deepening humanitarian crisis. Israeli forces have largely taken control of northern Gaza. But they have only partially destroyed Hamas's military capabilities and haven't captured or killed many of its top leaders, senior Israeli officers and analysts said.

Israeli commanders have suggested that many Hamas fighters have escaped south as Israeli troops moved in and that some leaders are ensconced in densely populated towns or underground tunnels that have seen fewer airstrikes and less fighting than Gaza City in the north. Hamas will almost certainly prove to be a more determined adversary in the south, where the militants will have few remaining options other than to fight. The hostages are the best leverage Hamas leaders have for surviving the Israeli shift, as the militants

seek a halt to the fighting, at least temporarily, former Israeli officers said. Israel's plan for attacking Hamas in the south is likely to resemble its advance in the north, but it will be complicated by the large number of civilians packed into the area, Israeli officials and commanders said. "We are determined to keep moving forward," Rear Adm. Daniel Hagari, the Israeli military's chief spokesman, said on Friday. "This will happen wherever Hamas is, and it is also in the southern Gaza Strip." U.S. officials said they are urging Israel to delay its

stepped-up operations in the south until it has thought through plans for protecting civilians who have fled there in large numbers to escape the fighting in the north. "We think that their operations should not go forward until those people—those additional civilians—have been accounted for in their military planning," Jonathan Finer, the U.S. deputy national-security adviser, said on Sunday on CBS. Israel should narrow "the

◆ **Explosion rocks Gaza hospital**A7

Beijing Trims U.S. Lead in Submarine Technology

By ALASTAIR GALE

For decades, the U.S. hasn't had to worry much about China's submarines. They were noisy and easy to track. The Chinese military, meanwhile, struggled to detect the U.S.'s ultraquiet submarines. Now, China is narrowing one of the biggest gaps separating the U.S. and Chinese militaries as it makes advances in its submarine technology and undersea detection capabilities, with major implications for U.S. military planning for a potential conflict over Taiwan. Early this year, China put to sea a nuclear-powered attack submarine with a pump-jet propulsion system instead of a propeller, satellite imagery showed. It was the first time noise-reducing technology used on the latest U.S. submarines had been seen on a Chinese submarine. A few months earlier, satellite images of China's manufacturing base for nuclear-powered submarines in the northeastern city of Huludao showed hull sections laid out in the complex that were larger than the hull of any existing Chinese submarine. A second modern construction hall at the plant was finished in 2021, indicating plans to boost output. At the same time, the western Pacific is becoming more treacherous for U.S. submarines. Beijing has built or

INSIDE

PERSONAL JOURNAL
State estate-tax rules are complicated, and often change from year to year. **A10**

BUSINESS & FINANCE
Citigroup began a round of layoffs and organizational changes. **B1**

College Courses Teach Young Adults How to Make Small Talk

Professors stage simulated networking events for students to hone their chitchat

By TARA WEISS

Jana Mathews, a professor of Medieval literature at Rollins College, checks the bathrooms to coax out students hiding from the big event in her Job Market Boot Camp class, a mixer with alumni to practice professional networking. For many of her students, the face-to-face conversations with strangers are more nerve-racking than decoding Chaucer. Sydney Parmet had trouble sleeping the night before and considered skipping it. "I kept overthinking what I was going to say and second-guessed whether I should say anything," said Parmet, who graduated in May from the Winter Park, Fla., campus. Mathews recommends students try swiping deodorant on palms to avoid clammy handshakes. Those who vomit from nerves should pop a breath mint. If the question, "Tell me about yourself," triggers temporary amnesia, consult your prepared script, she says. Students practice moving from introductions to asking about the other person to giving their elevator pitch that covers their interests, work

GM's Cruise Unit Skids Off Course

CEO quits as self-driving car division struggles; employees flagged problems

Shortly after midnight on Aug. 24, a driverless shuttle operated by General Motors' Cruise stopped in the middle of a street in downtown Austin, Texas. Then it veered off the road, jumped the curb and hit the side of a building, according to video footage and police reports.

By the time officers showed up, Cruise employees had covered the vehicle with a tarp and were trying to dislodge it—a task complicated by the lack of driver's seat or steering wheel. The crash was one of several alarming mishaps involving GM's ballyhooed self-driving car division that have raised questions about whether the vehicles are safe enough to carry passengers or

Wind Giant's Woes Rattle U.S. Market

By DAVID UBERTI AND JOE WALLACE

The poster child for the wind-power revolution was supposed to help build the U.S.'s clean-energy future. Its messy pullback from the Northeast is threatening those aspirations. Denmark's national oil-and-gas company, now known as Ørsted, bet big on renewables a decade ago. It renounced fossil fuels, renamed itself after a 19th-century physicist and embarked on a debt-fueled expansion, becoming the biggest offshore-wind developer outside China. Surfing investor enthusiasm for all things green, Ørsted surpassed BP in market value early in the pandemic. The U.S. was a hotbed of activity, which drew Ørsted

U.S. NEWS

OpenAI's New CEO at Center of AI Drama

Emmett Shear is critical of efforts to rush development of artificial intelligence

SARAH E. NEEDLEMAN

Emmett Shear's sudden appointment as **OpenAI** CEO late Sunday puts him at the center of a high-stakes drama within the company and in the world of artificial intelligence.

Shear, the co-founder of the popular videogame-live-streaming service Twitch, became OpenAI's interim chief executive after the surprising ouster of its former boss, Sam Altman, over the weekend.

Early Monday, Shear said it took him just a few hours to accept the job, calling it "a once-in-a-lifetime opportunity" in a post on X, the social-media platform formerly known as Twitter. He also plans to hire an independent investigator to review the events leading to the upheaval at OpenAI, maker of the viral chatbot ChatGPT, and would push strongly for significant governance changes if necessary.

"I have spent today drink-

ing from the fire hose as much as possible, speaking with the board, a small number of major partners, and listening to employees," Shear said, adding that the company's partnership with **Microsoft** remains strong.

Shear's appointment did little to quell a dizzying week-end of uncertainty around OpenAI's leadership shake-up. More than 700 OpenAI employees have threatened to leave the company if the current board doesn't resign and reinstate Altman and former President Greg Brockman.

Shear wasn't employed when OpenAI reached out. He had previously served as Twitch's chief executive for more than a decade and had stepped down this year to spend time with his now 9-month-old son.

In choosing Shear, OpenAI is hiring a vocal critic of efforts to rush the development of new, powerful artificial-intelligence tools.

"We can't learn how to build a safe AI without experimenting, and we can't experiment without progress, but we probably shouldn't be barreling ahead at max speed ei-



Emmett Shear had previously co-founded Twitch.

ther," he wrote on X in September.

Shear also said in a podcast video posted on Monday on X that he is concerned about a potential doomsday scenario resulting from AI.

OpenAI's chief scientist and fellow co-founder, Ilya Sutskever, had clashed with

Altman around the safety of the company's artificial-intelligence efforts in recent weeks, but people familiar with the board's thinking said those safety disputes weren't a part of the decision to fire Altman.

Shear said as much in his blog post: "The board did not

remove Sam over any specific disagreement on safety, their reasoning was completely different from that," he wrote. "I'm not crazy enough to take this job without board support for commercializing our awesome models."

Shear didn't respond to requests for comment.

Shear is well-known within Silicon Valley, having led Twitch's raising of \$35 million from investors including Bessemer Venture Partners and Thrive Capital before it was acquired by **Amazon** in 2014 for roughly \$970 million in cash. Like Altman, Shear was an early member of Y Combinator, a respected Silicon Valley accelerator program, where he worked on a digital-calendar startup after studying computer science at Yale University. He later returned to Y Combinator as an adviser.

In 2006, Shear and two friends started Justin.tv, which was spun out in 2011 as Twitch, a name that reflects the sporadic, jerking motions of playing fast-paced videogames. By the time Twitch was acquired by Amazon, the site had grown into one of the largest sources of U.S. internet

traffic. Today, Twitch remains popular with live broadcasts by its users, and those streams span beyond just games, covering topics such as sports, finance and music.

"Where he failed with Twitch was in growing the business beyond where it is now," said Wedbush Securities analyst Michael Pachter.

Shear deserves credit for managing Twitch in a way that helped attract popular streamers, according to Pachter. Shear's "skill set, for a startup that has just begun to scratch the surface, is actually a pretty good match," he said. "He's golden with OpenAI because investors don't expect a payoff for years."

Twitch's former head of communications, who only goes by his first name Chase, described Shear as passionate about technology, forward-thinking and inclusive.

"He's always been very ethical about how he looks at the world," said Chase, who coordinated media interviews for Shear while at Twitch from 2013 to 2019. "If he sees a danger in some form of tech, I think it's good to have somebody like him involved."

Pro-Altman Employees Stage Revolt

Continued from Page One
board that voted to oust Altman. On Monday morning, Sutskever said he deeply regretted his participation in the board's action. "I will do everything I can to reunite the company," he posted on X.

Sutskever flipped his position following several hours of intense deliberation with OpenAI employees as well as a heated conversation with Brockman's wife, Anna Brockman, at company offices, according to people familiar with the matter.

Sutskever arrived at OpenAI's headquarters Sunday night with Emmett Shear, a former Twitch chief executive picked by the board to be interim CEO of OpenAI, people familiar with the matter said. Shear was there to meet employees who had gathered there earlier, but few stayed to see him, the people said.

It isn't clear what else influenced Sutskever's decision to reverse course. Sutskever was the officiant at the Brockmans' wedding in 2019.

OpenAI is governed by a nonprofit with a board devoted to advancing artificial intelligence for humanity's benefit over profit. By that measure, the board acted as it was de-



The OpenAI board that voted for the firing consists of Adam D'Angelo, Tasha McCauley, Ilya Sutskever and Helen Toner.

signed and ethically obliged to do, people familiar with the board's thinking said.

One factor driving the board's decision last week to oust Altman was the members' lack of clarity around his pursuits outside of OpenAI and whether there was a risk that the company's intellectual property could be used in ways that made the board uncomfortable, the people said.

Over the weekend, OpenAI's senior leadership repeatedly asked the board to explain what prompted its apparently sudden decision to eject Altman. In the employee letter made public Monday, OpenAI's leaders said the board failed to give them an explanation.



"You also informed the leadership team that allowing the company to be destroyed 'would be consistent with the mission,'" the letter said.

In a message to employees Sunday, the board reaffirmed its decision. It said the firing was "not about product safety or security, the pace of development or OpenAI's finances. This was not about any singular incident," according to the message, which was reviewed by The Wall Street Journal.

"We know that removing someone with Sam's high profile in our industry comes as a shock, but he lost the trust of the board of directors," the message said.

In the months leading up to



his dismissal, Altman had been spending more time exploring two new business endeavors. The first was a new consumer hardware device that he would create with Apple's former chief design officer, Jony Ive. The second was to make low-cost chips that OpenAI could use to train its AI models. Altman had spent weeks in the Middle East trying to raise money for this second endeavor.

This isn't the first time Altman has been asked to depart a company. A few years ago, senior leaders at Y Combinator, the venture firm Altman used to run, asked Altman to leave his role as president following mounting concerns about the time he was spending on other



business endeavors, including at OpenAI, according to investors briefed by the venture firm's executives.

Nadella said Sunday that Altman and Brockman would be joining Microsoft to helm a new advanced artificial-intelligence research team. The move came after Altman's bid to return to the company he co-founded fell apart, with the board that fired him declining to agree to the proposed terms of his reinstatement.

The OpenAI employees wrote in their letter that they might leave the company and join Altman and Brockman at Microsoft if their demands aren't met, adding that Microsoft had assured them that

there would be jobs available for all of them. Microsoft has invested \$13 billion in OpenAI.

Microsoft, which owns about 49% of OpenAI and has no control over its governance, is already putting the structure in place to take on existing OpenAI employees in a new organization. The AI team would report directly to Microsoft's chief technology officer, Kevin Scott, according to a person familiar with the matter.

Microsoft shares dropped Friday amid the initial chaos following Altman's ouster. The stock reversed course Monday after Nadella's announcement, reaching a record high as investors cheered the possibility that Microsoft could end up owning the talent and technology behind ChatGPT outright.

Before the drama of the past few days, OpenAI had been in talks to complete a sale of employee shares with outside investors that would have roughly tripled the stock's value to almost \$90 billion from earlier this year. The abrupt firing of Altman has paused the share sale.

In addition to Sutskever, the OpenAI board member who said he regretted his vote, the panel consists of Adam D'Angelo, a former Facebook executive and the founder of question-and-answer website Quora; Tasha McCauley, an adjunct senior management scientist at Rand; and Helen Toner, a director at a Washington nonprofit.

—Tom Dotan
contributed to this article.

CORRECTIONS & AMPLIFICATIONS

A **Page One** article on Wednesday about the impact of borrowing costs on small businesses included a photo by Abby Grace Photography. The article incorrectly credited the photo to 1800TSHIRTS.

Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com or by calling 888-410-2667.

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Some Business Customers Question Company's Future Amid Turmoil

By ISABELLE BOUSQUETTE

Some chief information officers are questioning the viability of ChatGPT maker **OpenAI** following the unexpected ouster of Chief Executive Sam Altman on Friday, his subsequent hire by Microsoft and an unresolved threat by hundreds of OpenAI workers to quit and follow him there.

"Long-term viability of any platform is important when making decisions," said Todd Florence, chief information officer of Estes Express Lines, a Richmond, Va., trucker. "Friday certainly calls that into question in regards to OpenAI."

Estes is still evaluating the various technology options offered by generative artificial-intelligence vendors, a process that could be influenced by the unanswered questions about OpenAI's future, Florence said.

Customers aren't necessarily racing to jump ship, and enterprises typically take a "wait and see" approach to situations like these, but the fact that Altman doesn't seem to be returning to OpenAI raises issues, said Tim Crawford, CIO strategic adviser at Los Angeles-based IT advisory firm Avoca.

"Altman is so key to OpenAI's success," Crawford said. "His departure creates concern all around."

So far, OpenAI's large lan-

guage models have largely been seen as one of the top choices for businesses to use inside their organizations. Along with OpenAI, tech giant Google and AI startups Anthropic and Cohere have also led the charge in developing proprietary large language models that companies are using to boost efficiency in areas such as accounting and writing code, or adding to their own products with tools like custom chatbots. Companies such as investment bank Morgan Stanley, consulting firm PricewaterhouseCoopers and cloud-software giant Salesforce have all said they are using OpenAI's technology in various ways.

But now, with the potential for mass resignations, Crawford said, "It creates a real question about OpenAI's future."

OpenAI didn't respond to a request for comment.

Microsoft Chairman and CEO Satya Nadella said in a LinkedIn post that the company remains committed to its partnership with OpenAI.

But the drama could create an opening for OpenAI rivals, including a potentially more competitive Microsoft, executives said.

"The turmoil may push CIOs to consider other vendors," said Jason James, CIO of retail software developer Aptos.

Jay Ferro, chief information technology and product officer of clinical research data-management company Clario, said the uncertainty isn't necessarily affecting short-term decisions about choosing AI vendors. But over the longer term, he said, "This situation might give competitors a chance to close the gap."

Others said that Altman's new role means it's a great time to be a Microsoft customer and that they are rallying around the tech giant as an AI leader.

OpenAI has had an awkward, symbiotic yet competitive relationship with Microsoft since the tech giant poured billions into the startup. Typically, a company like Microsoft would absorb a startup and its technology. By keeping OpenAI at arm's length, Microsoft has had influence without the kind of control that could get regulators' attention, while OpenAI got a deep-pocketed backer and retained some freedom to explore other partnerships.

"Microsoft is a big winner in the AI talent war, and it strengthens their ability to innovate for the AI enterprise market," said Larry Pickett, chief information and digital officer of Syneos Health, a biopharmaceutical services company.

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U.S. NEWS

Appeals Court Curbs Key Tool To Enforce Voting Rights Act

By MARIAM TIMMS

A federal appeals court ruled that voters alleging discrimination in election rules don't have a right to sue, a decision that could have a sweeping impact on voting rights if adopted by other courts.

The Eighth U.S. Circuit Court of Appeals, in a 2-to-1 ruling, held that private plaintiffs can't bring legal claims under Section 2 of the Voting Rights Act, a bedrock provision of the 1965 law that prohibits discriminatory voting practices. Instead, only the U.S. attorney general can bring such lawsuits, the court said.

The decision, which cut against years of rulings by other courts, said the Arkan-

sas branch of the NAACP and another organization couldn't challenge the district lines drawn for the Arkansas House of Representatives after the 2020 census.

Circuit Judge David Stras, a Trump appointee writing for the majority, acknowledged that courts have allowed such private lawsuits for decades but said the text and structure of the Voting Rights Act didn't allow for such claims.

"If the 1965 Congress 'clearly intended' to create a private right of action, then why not say so in the statute?" Stras wrote. Joining him in the majority was Circuit Judge Raymond W. Gruender, a George W. Bush appointee.

In dissent, Chief Judge

Lavenski R. Smith, another George W. Bush appointee, said a long line of existing court precedent allowed private citizens to seek judicial remedies for discrimination in voting.

"Rights so foundational to self-government and citizenship should not depend solely on the discretion or availability of the government's agents for protection," Smith wrote.

The voter groups in the case, represented by the American Civil Liberties Union, alleged that the new state legislative map illegally diluted the voting strength of Black Arkansans, leaving disproportionately few majority-Black districts.

"This is a really radical rul-

ing," said Sophia Lin Lakin, director of the ACLU's Voting Rights Project and lead counsel on the Arkansas lawsuit. "It's a truly disappointing day for this country, and for voting rights, to have this ruling in place."

The case has drawn national attention since U.S. District Judge Lee Rudofsky in Little Rock, Ark., last year first ruled the voting groups couldn't sue, despite what he described as strong arguments that at least some of the challenged district lines were unlawful. The decision Monday ruling affirmed his decision.

The Supreme Court in past cases has assumed private voting litigants have a right to sue, without addressing the issue directly.

Schools Try to Coax Students Back

By SARA RANDAZZO AND SCOTT CALVERT

At first, educators thought the plummeting attendance rates experienced during the pandemic were a Covid-19-related anomaly. Illness kept many students out of school, and families were wary of catching the disease.

Now, more than two years after most schools resumed in-person classes, absences are still skyrocketing. Covid-19 has mostly faded as a concern, but it has left behind a changed attitude about going to school every day. Frequent absences have become the norm in many schools.

"This fundamental thing has shifted and we can't quite get it back," said Liz Cohen, the policy director at FutureEd, a think tank at Georgetown University. "It's troubling."

For lower-income families, the reasons students miss school are similar to those faced before the pandemic, but amplified: transportation issues, unstable housing and family obligations such as having to care for younger siblings. Other families, educators say, are more likely than before to pull children out of school for vacations or let children stay home if they don't feel like going.

"I can provide the best quality of education, the best teachers, small group instruction, a band, an orchestra," said Claudia Vela, an elementary school principal in Los Angeles. "But if I don't have the students there, we're not going anywhere." Vela said attendance is her biggest concern.

This school year, districts are trying, sometimes desperately, to win back students. Schools are rolling out market-



In Baltimore, Aaris Johnson knocks on doors for a private company hired to reduce chronic absenteeism.

ing campaigns trumpeting the importance of being in class, sending staff to visit homes and even offering teachers financial incentives.

Districts are encouraging families to send children to school even with a sniffle or cough, a reversal of the pandemic-era emphasis on staying home when sick.

Educators are eager to reduce the rates of chronic absenteeism—a commonly used metric of those who miss at least 10% of school, typically 18 days—because students who miss class are falling behind academically and, in many states, schools receive funding based on attendance.

Math and reading scores on federal tests, known as the "Nation's Report Card," fell in 2022 to the lowest levels since the 1990s for fourth-grade students, who are at an age seen as a crucial indicator.

The intense focus on attendance appears to be working. Rates began to improve last

school year from record-high numbers in 2021-22, but states and districts are still seeing stubbornly high metrics compared with those from before the pandemic. Around one in four students nationally was chronically absent in the 2022-23 school year, according to an analysis of 24 states with available data compiled by FutureEd. Before the pandemic, the nationwide average was closer to one in seven students.

The school district in Victoria, Texas, is giving teachers financial motivation to improve attendance. If the district logs above a 94% attendance rate, the baseline to hit its budget, teachers and staff will share in the increased funds, superintendent Quintin Shepherd said.

So far, the attendance in the district is at 92.7%, compared with 91.9% last year.

Many districts are resorting to the age-old tactic of knocking on families' doors to figure out what's keeping students from attending school.

Baltimore City Public Schools has a contract to pay up to \$18.7 million over four years to Concentric Educational Solutions to visit the homes of truant students and provide mentoring. Chronic absenteeism was high there even before the pandemic: 42% in 2018-19. It rose still higher during Covid-19, hitting 58% in 2021-22 before decreasing to 54% last school year.

Concentric staffers knock on hundreds of doors a week, said Aaris Johnson, the company's home visits director. The aim is to understand why a child is missing school and to help connect families with services. Lack of transportation is a typical barrier, and some older students work to support their families, he said. Some parents say they didn't know their child was absent.

Johnson said he warns families of possible legal consequences, but much of his message focuses on the benefits of getting a high school diploma.

Concentric employee Raiana Davis said after months of virtual instruction, many youths saw no point in going to school.

One student Davis worked with was Chaela Johnson, 21. She had to repeat 11th grade after almost never logging on for virtual school, and says she felt unmotivated to attend class when in-person instruction resumed. Davis regularly visited her in English class last spring, she recalled.

"It made me realize they really see something in me that I don't see myself, and I really have potential to be something in life. And I can't get there without education," said Chaela Johnson, who graduated in June and is studying fashion design at a community college.

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U.S. NEWS

Support for Abortion Access Nears Record

Poll shows 55% say a woman should for any reason be able to end a pregnancy

By Julie Wernau

Santana De'LaBay, a 29-year-old Republican with six children, thinks her party is wrong to back broad abortion restrictions. Motherhood has shown her that the decision to have a child is financially, medically and emotionally complex—and not a choice the government should impede.

"Every woman has different experiences and health complications," said De'LaBay, a licensed practical nurse in Cincinnati. "There's a whole lot of variables that can come up."

New results from a Wall Street Journal-NORC poll show Americans' support for abortion access is at one of the highest levels on record since nonpartisan researchers began tracking it in the 1970s. Some 55% of respondents say it should be possible for a pregnant woman to obtain a legal abortion if she wants it for any reason.

The poll, conducted for the Journal by NORC at the University of Chicago, surveyed 1,163 registered voters from Oct. 19-24.

Since the Supreme Court overturned *Roe v. Wade* and ended the constitutional right to the procedure, abortion-rights groups have notched seven consecutive victories in state ballot initiatives. They include an Ohio measure earlier this month to protect abortion under the state constitution. Behind these successes is a decadeslong shift among Americans in support of access to the procedure.

Democrats and independent voters—whose support of abortion rights was roughly in line with that of Republicans up until the 1990s—now back access to the procedure by greater margins. About 77% of



ASA FEATHERSTONE IV FOR THE WALL STREET JOURNAL



BARBARA WEIGAND

Republican Santana De'LaBay, left, disagrees with her party's stance on broad abortion restrictions. Above, Barbara Weigand, a Democratic-leaning voter, struggled with how to vote on Ohio's ballot measure this month to protect abortion rights.

Democrats in the new poll say they support access to abortion for any reason, up from 52% in 2016. Among Republicans, that share is one-third.

Some Republican voters who generally oppose abortion rights don't want to give state lawmakers the chance to rewrite the rules.

Many voters have nuanced views, including backing restrictions later in pregnancy and exceptions for difficult circumstances, that they say aren't well captured by current legislative proposals. Nearly 9 in 10 poll respondents support abortion access in the event of rape or incest, or when a woman's health is seriously endangered by the pregnancy.

Barbara Weigand, 80, a Democratic-leaning voter in Hartsville, Ohio, struggled with how to vote on her state's ballot measure.

She believes that women should be able to manage their own health and favored abortion access for most of her life. But since a religious awakening in her 60s, she now believes that God is in every human life. Typically she votes Democrat because she is aligned with the party's stance

on adding more gun laws and providing financial security for seniors. But the ballot measure wasn't asking for her take on those issues.

"I ultimately voted against the issue because I couldn't let God down," she said.

For Scott Sternlieb, 66, a Republican-leaning retired tractor-trailer driver in rural Show Low, Ariz., abortion isn't a black and white issue. His personal view is that a limit of 15 weeks makes sense but not in all cases.

"I don't like abortion period," he said. "But I do understand that in a lot of cases, it's gotta be OK. It has to be. If it's incest, it's rape, if it's a medical issue—how can you say no?"

Abortion wasn't always a politically polarized issue, according to data from NORC's General Social Survey, a large survey run by social scientists that has tracked American attitudes since the early 1970s. Historically, Americans' views on abortion on both sides of the aisle swung back and forth, with Democrats sometimes more in favor of abortion access and sometimes Republicans.

Charise Chism used to consider herself Republican. But the 42-year-old caretaker in Pearl, Miss., said she feels like her party's focus on abortion has become a distraction from more pressing issues.

"Our government is in debt and running off to more wars, and we're like, 'Let's get rid of this thing we decided long ago?'" she said of the abortion debate. "I thought this was solved."

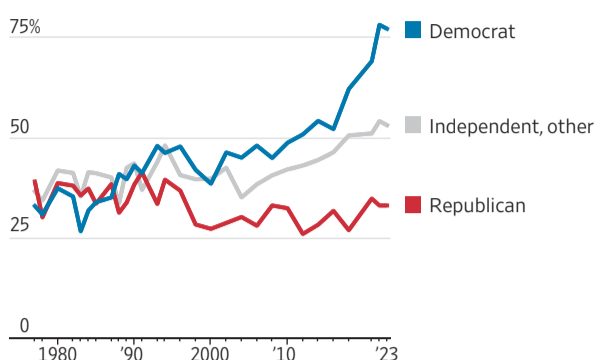
As a Black woman, she said she doesn't trust the government to be involved in her healthcare. Chism has a friend who is raising a child conceived by rape because she couldn't afford to leave Mississippi to get an abortion. "It should not even be a political issue," she said.

NORC polling shows that Americans' attitudes about abortion vary depending on the reasons for terminating a pregnancy. Some 86% of respondents support abortion access in the event of rape or incest, and 89% support it when a woman's health is seriously endangered by the pregnancy.

"For many Americans, this is an issue that has nuance,"

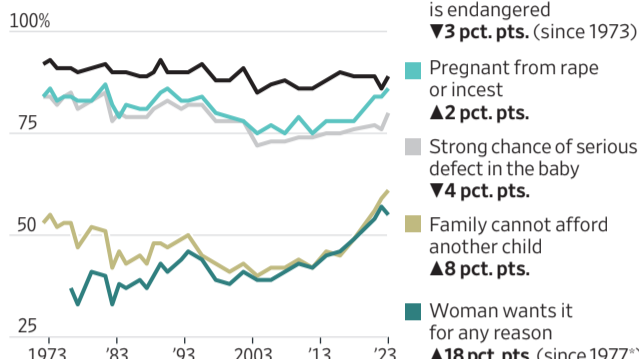
A pregnant woman should be able to obtain a legal abortion if she wants one for any reason

Share of respondents who say 'yes,' by party affiliation



Should it be possible for a pregnant woman to obtain a legal abortion if...

Share of respondents who say 'yes'



*Data not available for 1973. Source: WSJ/NORC poll of 1,163 registered voters conducted Oct. 19-24; margin of error: +/- 4.0 pct. pts. (2023); WSJ/NORC polling (2022). Data prior to 2022 is from NORC's General Social Survey.

said Jocelyn Kiley, associate director of U.S. politics research for Pew Research Center.

Jessica Munoz, a 33-year-old Chicagoan who said she sometimes leans Democratic, voted for President Biden because she thought that his affiliation with former President Barack Obama would make him a strong leader. She has been unhappy with Biden's presidency, but she can't bring herself to vote for a candidate who is antiabortion. Years spent working as a nurse with young children housed in the psychiatric unit of a local hospital helped shape her view that, when people don't have access to abortion, women

who shouldn't become mothers have children who suffer.

"A lot of women back then fought for what we have now. We don't want history to repeat," she said.

Rick Moore, 69, a GOP voter in Las Vegas, said he isn't sure the Republican Party is making the right decision to keep pushing the abortion issue after its win on that front at the Supreme Court. "Don't poke the bear," he said. He believes the only person who should make the decision about whether a baby is born is God.

"If that was on the ballot, that we're going to end abortion—I'd be there in a heartbeat," he said.



Former President Donald Trump has assailed the limited gag order by a federal trial judge as unconstitutional.

Appeals Court Scrutinizes Gag Order

By C. Ryan Barber and Sadie Gurman

WASHINGTON—A federal appeals court signaled Monday that it would affirm but potentially narrow a gag order imposed on former President Donald Trump in the criminal case alleging he conspired to overturn his 2020 election loss.

During a more than two-hour hearing in Washington, a three-judge panel expressed skepticism toward the argument from Trump's lawyer that the gag order infringed on the former president's First Amendment rights and "core political speech."

The panel of the U.S. Court of Appeals for the D.C. Circuit also indicated that it could reduce the order's scope by allowing Trump to publicly attack special counsel Jack

Smith, who is overseeing the federal prosecutions of the former president, while maintaining a ban on criticizing witnesses and court staff.

The hearing marked the latest clash between Trump's lawyers and Smith's team over a limited gag order issued last month by U.S. District Judge Tanya Chutkan.

Chutkan's order barred the former president from making public statements that "target" Smith or his staff, along with court staff and potential witnesses in the election-subversion case in Washington. It left Trump free to criticize the judge herself as well as the Justice Department and the Biden administration more broadly.

Trump quickly appealed, prompting the D.C. Circuit to temporarily lift the gag order while it considered the former president's legal challenge. Monday's panel was composed of two Obama appointees, Judges Patricia Millett and Cornelia Pillard, and Judge Bradley Garcia, a Biden appointee. It isn't clear when the judges will rule, and one side or the other could appeal their eventual decision to the Supreme Court.

In the questioning, the judges suggested that a gag order could be imposed as a preventive measure to protect people involved in the case

from threats or harassment. They said the government had cited a dynamic in which certain people attacked by Trump are then harassed by others.

"As this trial approaches, the atmosphere is going to be increasingly tense," Garcia said. "Why does the district court have to wait and see and wait for the threats to come? Rather than taking reasonable action in advance?"

Trump has assailed the limited gag order as unconstitutional, condemning it as recently as Friday as an unprecedented censoring of a political candidate.

During Monday's arguments, Trump's lawyer D. John Sauer called the gag order unprecedented and said it "sets a terrible precedent for future restrictions on core political speech."

Sauer said prosecutors were citing events of three years ago to argue that the gag order was necessary. If upheld, he said, the gag order would install Chutkan as a "filter" for the speech of a leading presidential candidate "at the very height of a political campaign."

His argument met with pushback from the D.C. Circuit panel. Millett noted a criminal case against a Texas woman charged with threatening Chutkan in August, shortly after Trump said on social media: "If you go after me, I'm coming after you!"

Smith's team has argued that the gag order was warranted given Trump's proven record of attacks and threats on people involved in court cases against him, which he said risk tainting the jury pool.

"There has never been a criminal case in which the defendant has routinely taken to public posting to a national audience to vilify the prosecutors as thugs, as deranged, as lunatics, to malign the court as a fraud...and to attack witnesses [as] liars, cowards, weak," said Cecil VanDevender, a lawyer in Smith's special counsel office.

But the panel questioned VanDevender about whether a portion of the gag order went too far in limiting Trump's speech and preventing him from criticizing prosecutors.

"We certainly want to make sure that the criminal trial process and its integrity and its truth-finding function are protected, but we've got to use a careful scalpel here and not step into really sort of skewing the political arena, don't we?" Millett asked VanDevender.

Trump Builds Defense In New York Fraud Case

By Jacob Gershman

Donald Trump and his lawyers are mounting a multi-front defense against the civil fraud case threatening his personal fortune as he seeks to reclaim the White House.

Trump's trial team is heading into its second week calling its own witnesses to rebut the New York attorney general's claim that the former president deceived banks to secure low-cost loans on major real-estate projects. The roster has included an accounting expert whose testimony last week disputed a number of the allegations regarding Trump's financial disclosures.

Midway through a months-long trial, the former president has also escalated his assault on the presiding judge, who has sided against him at almost every turn. While Trump has hurled vitriolic insults at Justice Arthur Engoron nearly daily, his lawyers have been unusually direct in questioning the judge and how he runs his courtroom.

Last week, they filed a motion for a mistrial, accusing Engoron of issuing slanted rulings, rushing to trial and "co-judging" with his law clerk, a Democrat who has pursued an elected judgeship and has sat beside him throughout the trial.

Engoron denied the request on Friday, saying he had an "unfettered right to consult" with his clerks and that his rulings were his alone. He defended his clerk from Trump's claims that she had engaged in improper partisan political activity during the case.

New York Attorney General Letitia James, who filed the fraud lawsuit last year, said the former president's persistent attacks on the judge and the clerk are an attempt to distract from evidence showing Trump and his associates intentionally inflated his worth for financial gain.

Trump's team primarily appears focused on building a detailed legal record for an appeal, having seemingly given up hope of persuading Engoron, who already has ruled Trump

committed one type of fraud.

The case mostly revolves around financial statements that Trump submitted to banks as part of low-interest loan agreements that required him to show a net worth of at least \$2.5 billion and maintain at least \$50 million in unrestricted cash. Engoron found that Trump, his eldest sons and accounting executives at his company grossly exaggerated the value of his skyscrapers, estates and golf courses by concealing appraisals, ignoring land-use restrictions, misrepresenting his control over cash holdings and using misleading investment metrics.

James's lawsuit relies on a consumer-fraud statute dating to the 1950s and enabling the state to bring civil actions to stop fraudulent business activity and seek tough sanctions and restitution.

James, a Democrat, wants Trump to pay back all of the money he saved from the beneficial loan and insurance-policy terms plus interest, estimating the figure to be around \$250 million. Engoron is conducting a trial largely to determine that sum.

A ruling Engoron issued against Trump days before the trial has added uncertainty to the case. He asked the parties for recommendations for an independent receiver to manage the dissolution of a number of Trump's companies, a sanction that Trump's lawyers and some legal scholars said isn't authorized under the fraud statute. The attorney general's office now maintains that Engoron never ordered any dissolution.

"There's a good deal of confusion around this," said John C. Coffee Jr., a professor of corporate and securities law at Columbia Law School. A state appeals judge in October suspended enforcement of Engoron's order. Amid the trial, Trump's lawyers have asked an appeals-court panel to halt the proceedings, contending that Engoron swept in a number of claims into his pretrial fraud ruling concerning transactions that should have been time-barred under the statute of limitations.

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U.S. NEWS

Wind Firm Woes Rattle U.S. Market

Continued from Page One
 more projects, sell parts of wind farms, or cut its dividend or issue stock to shore up its balance sheet, analysts and investors said. Any turnaround will come under a new C-suite after the chief financial officer and chief operating officer stepped down last week.

Ørsted's stock has plunged more than 75% from its high in 2021, including a roughly 19% drop this quarter.

Similar upheaval is rippling across an industry that thrived when rates were low and costs fell year after year is in trouble. "I don't think we are out of the woods," said Manuel Losa of Pictet Asset Management, who sold Ørsted shares in 2021.

Ørsted was more vulnerable than most to a surge in inflation and rates because stiff competition drove down power prices and expected returns from offshore-wind projects, former executives said. Some analysts said higher prices planned for the next round of projects in New York and the U.K. could help the industry rebound and aid states in upgrading aging energy infrastructure.

"These are severe bumps on the road," said Martin Neubert, Ørsted's former chief commercial officer and now chief investment officer at Copenhagen Infrastructure Partners. "The case for offshore wind in the U.S. is still there and still strong," he said. "A lot of ground has been gained."

Ørsted's difficulties have cascaded to Europe, where the company pulled out of a Norwegian offshore consortium. Analysts said Ørsted could walk away from what would be the world's biggest wind farm in the U.K. in order to defend its credit rating—though the company said it is confident the project will go ahead.



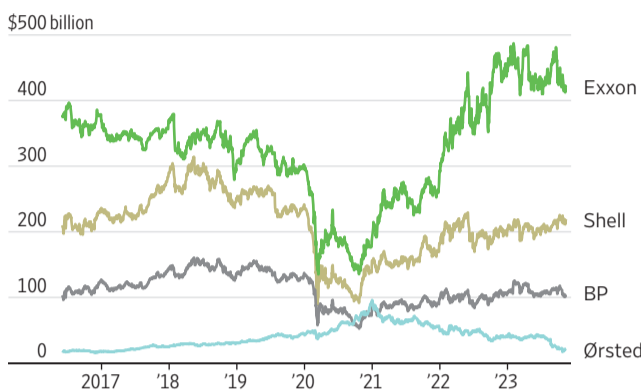
A tour boat near a turbine of an Ørsted wind farm off the coast of Block Island, R.I.

Ørsted's aggressive move into the U.S. landed the biggest blow: roughly \$4 billion of write-downs last quarter. That pain isn't spread equally across projects, which have different construction timelines and pricing structures. The company built a small wind farm off Rhode Island, and last month greenlighted a larger project for Rhode Island and Connecticut.

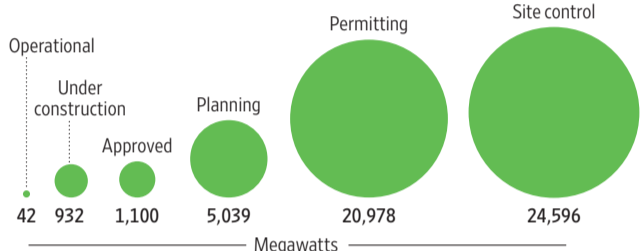
"The story of the U.S. offshore-wind industry for the last year has been one of great milestones, achievements, and monumental firsts, juxtaposed with a daily backdrop of frustrations and mounting challenges," David Hardy, chief executive of Ørsted Americas, wrote this month.

Ørsted staged its biggest retreat in New Jersey. Gov. Phil Murphy billed the state as an offshore hub with tax incentives and infrastructure investments, including a "wind port" with

Market value



U.S. offshore-wind pipeline by project stage*



*Data as of May 31, 2023
 Sources: FactSet (market value); Energy Department (wind pipeline)

space for towering turbine components and a wharf to handle huge installation vessels.

After Ørsted canceled projects called Ocean Wind 1 and 2, Murphy said the decision "is outrageous and calls into question the company's credibility and competence." The company is now trying to get

out of paying \$300 million in performance and investment guarantees to the state, arguing that it is no longer seeking tax relief from Trenton.

Still, company officials said the money was included in recent write-downs. A New Jersey official declined to comment on the sum, citing

potential litigation. The state has accelerated offshore-wind goals and locked in new projects despite Ørsted's pullback, she said. It intends to support local companies that planned to supply the two projects.

"The biggest mistake, in hindsight, was that they went all out in the U.S.," said Deepa Venkateswaran, an analyst at Bernstein. "It was not a market they knew, and they overcommitted."

The about-face has created uncertainty for New Jersey communities. Crews laying transmission cables not far from the governor's state-owned beach house on the Jersey Shore continued work in recent days, said John Peterson Jr., mayor of nearby Seaside Park. In Atlantic City, which sought to diversify its casino-dependent economy, local officials expect Ørsted will complete a maintenance facility. It is unclear what to do with the site afterward. "We were hoping that would lead to a lot of local hires," city spokesman Andrew Kramer said.

The cancellations could saddle Ørsted with equipment it doesn't need, such as huge steel tubes used as turbine foundations, or termination fees on supplier contracts. Chief Executive Mads Nipper told analysts that the company is trying to reuse such equipment.

As Ørsted made such calculations, it faced delays on a first-of-its-kind U.S.-flagged vessel designed to transport parts the length of football fields and construct turbines in hundred-foot water. The company hoped to use the craft for two projects east of Long Island. But the holdup forced Ørsted to secure a potential backup plan: barges to ferry components from the shore to foreign-flagged installation vessels on site.

The tumult means the Northeast will pay more for power than previously advertised. After Ørsted, BP and Norway's Equinor threatened to pull out of offshore wind farms in New York—putting three of the state's eight approved plans in jeopardy—officials are reopening the bidding process. Analysts said newer projects tend to price electricity about 30% higher than earlier estimates.

Lawmakers Demand Records From FDIC

By REBECCA BALLHAUS

Two Republican lawmakers on the House Oversight Committee are investigating allegations of a toxic workplace at the Federal Deposit Insurance Corp., sending a letter to the agency Monday requesting records and a briefing by senior officials.

In a letter to FDIC Chairman Martin Gruenberg, Reps. Lisa McClain of Michigan and Andy Biggs of Arizona wrote that the agency "may have turned a blind eye to sexual harassment and discrimination within its staff."

"The allegations of a culture of tolerating harassment at the FDIC weakens the credibility of your agency," they said.

McClain and Biggs requested records including complaints, investigations and reports, as well as all communications involving human-resources officials and the office of the chairman related to allegations of sexual misconduct, harassment or discrimination. They also requested a list of individuals who have been reassigned within the agency, and where they were reassigned to, related to such allegations.

They asked that senior agency officials brief the committee by Nov. 27.

An FDIC spokeswoman said the agency "is committed to being fully transparent and responsive to the requests of the committee."

The investigation is the latest pressure on the agency over allegations of harassment and discrimination at the agency revealed in a Wall Street Journal investigation last week. Some Republican senators called for Gruenberg to resign last week, while Democrats said they were concerned and called for an independent investigation.

U.S. WATCH



FINISHING TOUCH: Mark Perelli, of Studio 3 in New Orleans, worked on Monday on one of the floats for Houston's annual H-E-B Thanksgiving Day Parade coming up this week.

NEW YORK Court Upholds City Ban on Chokeholds

New York's highest court on Monday upheld a New York City law that forbids police from using chokeholds or compressing a person's diaphragm during an arrest, rejecting a challenge from police unions to a law passed after the death of George Floyd.

The New York Court of Appeals, in a unanimous decision, ruled that the law is clear in its language and that it doesn't conflict with an existing state law that bans police from using chokes.

The city's law came as governments across the U.S. prohibited or severely limited the use of chokeholds or similar restraints by police after Floyd's death in 2020, which occurred as a Minneapolis police officer knelt on his neck for several minutes.

The Police Benevolent Association of the City of New York and other law-enforcement unions sued the city over its law and have argued that its language is vague as to what officers are allowed to do during an arrest.

—Associated Press

CALIFORNIA Freeway Reopens, Easing L.A. Traffic

Los Angeles drivers returned to a much more normal commute on Monday when an elevated stretch of a major freeway reopened well ahead of original estimates following a raging fire blamed on arson that shut the roadway for more than a week.

The section of Interstate 10 south of downtown reopened Sunday night, and authorities assured commuters that the freeway is safe after emergency work to shore up the structure until permanent repairs of scorched support columns can be completed.

The early morning inferno on Nov. 11 was fed by flammable materials stored under the roadway in violation of a company's lease.

Initial worst-case scenarios raised the possibility that the section of freeway might have to be demolished and rebuilt. Officials then said tests showed it could be repaired in three to five weeks and that, with massive bracing in place, traffic could return much sooner.

—Associated Press

MARYLAND Two Children Killed On Way to School

Two children were struck by a vehicle and killed near a Maryland elementary school on Monday morning, officials said.

The two children were walking to Riverdale Elementary School around 8 a.m. when they were struck and both died, Riverdale Park Mayor Alan Thompson said in a social-media post. The driver remained at the scene, he said.

The crash happened at the intersection of Riverdale and Taylor roads, according to a social-media post by town police. The intersection is next to the school.

School officials said there was a fatal pedestrian accident in front of the school during arrival, and that parents could pick up their students early if they wished.

The Prince George's County town of about 7,000 people is a few miles northeast of the border with Washington, D.C. County police will investigate.

—Associated Press

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FROM PAGE ONE

China Subs Narrow U.S. Edge

Continued from Page One
nearly finished several underwater sensor networks, known as the "Underwater Great Wall," in the South China Sea and other regions around the Chinese coast. The networks give it a much better ability to detect enemy submarines, according to Chinese military and academic texts.

The People's Liberation Army, as China's military is known, is getting better at finding enemy submarines by adding patrol aircraft and helicopters that pick up sonar information from buoys in the sea. Most of China's navy now has the ability to deploy underwater listening devices called hydrophones on cables trailing ships or submarines.

In August, China conducted a sub-hunting exercise lasting more than 40 hours in the South China Sea, involving dozens of Y-8 anti-submarine patrol aircraft. A few weeks earlier, the Chinese and Russian navies conducted a joint anti-submarine warfare exercise in the Bering Sea, off the Alaska coast.

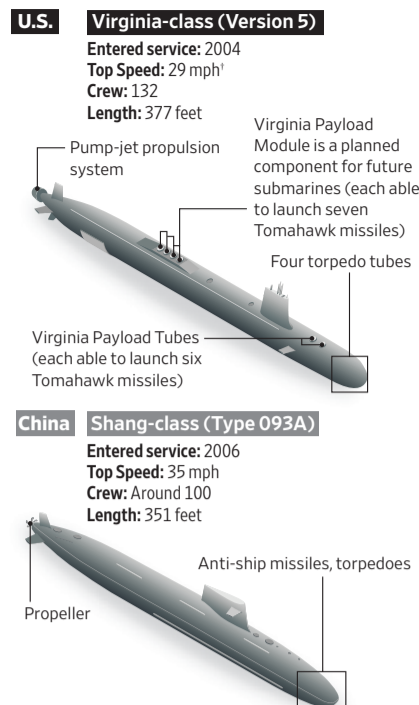
The developments mean the era of unchallenged dominance of the U.S. under the

China's manufacturing plant and main bases for nuclear-powered submarines*



*Dock capacities are for areas shown in image, not full bases
†Over 25 knots (28.8 mph). Exact speed not available.
Sources: Planet Labs PBC (images), Prelogins (image analysis); U.S. Navy (U.S. submarines), Naval-Technology.com (China submarines)
Peter Champelli and Carl Churchill/THE WALL STREET JOURNAL

Nuclear-powered attack submarines



U.S. Virginia-class (Version 5)
Entered service: 2004
Top Speed: 29 mph†
Crew: 132
Length: 377 feet

China Shang-class (Type 093A)
Entered service: 2006
Top Speed: 35 mph†
Crew: Around 100
Length: 351 feet

seas around China is ending.

In recent years, China has also rapidly expanded its surface fleet. It now exceeds the U.S. fleet by number of ships, although China's ships are generally smaller and less sophisticated.

In response, a larger percentage of the U.S. Navy has been deployed to the Pacific, including some of the U.S.'s most advanced ships and aircraft. The U.S. has also in-

creased the tempo of naval operations in the region and deepened coordination and training with allied fleets, such as Japan.

The U.S. also needs new strategies below the waves to face a more potent adversary, said Christopher Carlson, a former U.S. Navy officer. The U.S. needs far more resources, such as patrol aircraft and attack submarines, to locate, track and potentially target a

new generation of quieter Chinese submarines, he said.

"The implications for the U.S. and our Pacific allies will be profound," he said.

Simulations of a Chinese invasion of Taiwan conducted by U.S. military analysts often assume U.S. submarines would try to sink ships in the attacking Chinese fleet. The destruction of Chinese ships could help blunt the invasion and enable Taiwan to better de-

fend itself, some of the simulations show, but a greater threat to U.S. submarines would complicate that task.

Even getting close to the Taiwan Strait might become more precarious. China's nuclear-powered attack submarines could be assigned to a hunter-killer role seeking U.S. and allied submarines to the east of Taiwan, said Brent Sadler, a former U.S. submarine officer who is now senior research fellow at the Heritage Foundation, a think tank based in Washington, D.C.

An indication of the rising stakes in countering China's submarine fleet came in March, when Gen. Anthony Cotton, head of U.S. Strategic Command, said during a congressional hearing that China had deployed new missile submarines that could hit targets deep inside the U.S. while remaining close to China.

Keeping track of these Chinese submarines is one of the primary roles of the U.S. Navy and its attack submarines in the Asia-Pacific region.

One book published by a former PLA officer in 2020 suggests new Chinese attack submarines will have their engines mounted on shock-absorbing

rafts to better damp vibrations. China is working on other quieting technology for submarines, such as new hull materials and more-efficient nuclear reactors for propulsion, academic research papers show.

Based on the available information, Carlson, the former U.S. Navy officer, anticipates the new Chinese submarines will be as quiet as Russian Akula I-class attack submarines commissioned from the 1990s—a series still in service

The People's Liberation Army is getting better at finding enemy craft.

today that marked a leap forward in stealth and speed from previous Russian submarines. "Finding a boat this quiet is going to be really hard," he said.

Much of China's current submarine technology comes from reverse-engineering diesel-electric submarines bought from Russia after the collapse of the Soviet Union. Closer military ties between Moscow and Beijing have spurred concerns that Russia might be willing to share some of its advanced submarine technology with China, but there have been no clear indications of such transfers.

To be sure, a new generation of Chinese nuclear-powered submarines is years away from active duty, and significant progress in the program isn't guaranteed.

Beijing Denies Allegation It Targeted Australian Navy Divers

By CHUN HAN WONG

China pushed back against Australia's allegations that a Chinese warship used sonar pulses to target Australian navy divers and injure them.

Late Monday, a spokesman for China's Defense Ministry said Australia's account of the encounter last week between a Chinese destroyer and divers removing fishing nets from the propellers of an Australian navy frigate near Japan was "completely inconsistent with the facts."

"We urge Australia to respect the facts, stop making reckless and irresponsible accusations against China," Senior Col. Wu Qian said, insisting the Chinese side "didn't engage in any activities that might affect the Australian diving operations."

The encounter marked the latest instance of what Western governments have described as Beijing's more aggressive posture toward foreign militaries conducting maritime surveillance and other activities in areas close

to China. Chinese officials have condemned such operations, saying the U.S. and its allies are spying and engaging in provocative behavior against Beijing.

The Australian frigate, the HMAS Toowoomba, was conducting operations in support of United Nations sanctions enforcement.

Col. Wu didn't say whether the Chinese destroyer, Ningbo, used its sonar during its encounter with the Toowoomba, which was located in international waters inside of Japan's

exclusive economic zone at the time, en route to a Japanese port.

Col. Wu's remarks, published on the Chinese Defense Ministry's website, came days after Australian Defense Minister Richard Marles accused the Chinese destroyer of engaging in "unsafe and unprofessional conduct" in its encounter with the Australian frigate.

Marles said the incident occurred as Australian divers were attempting to remove fishing nets from the Toowoomba's propellers. He said the Australian navy twice told the Chinese destroyer that it would send divers down and asked it to stay clear. The Chinese ship acknowledged the Australian request, moved closer, and used a hull-mounted sonar that caused minor injuries to the divers, Marles said.

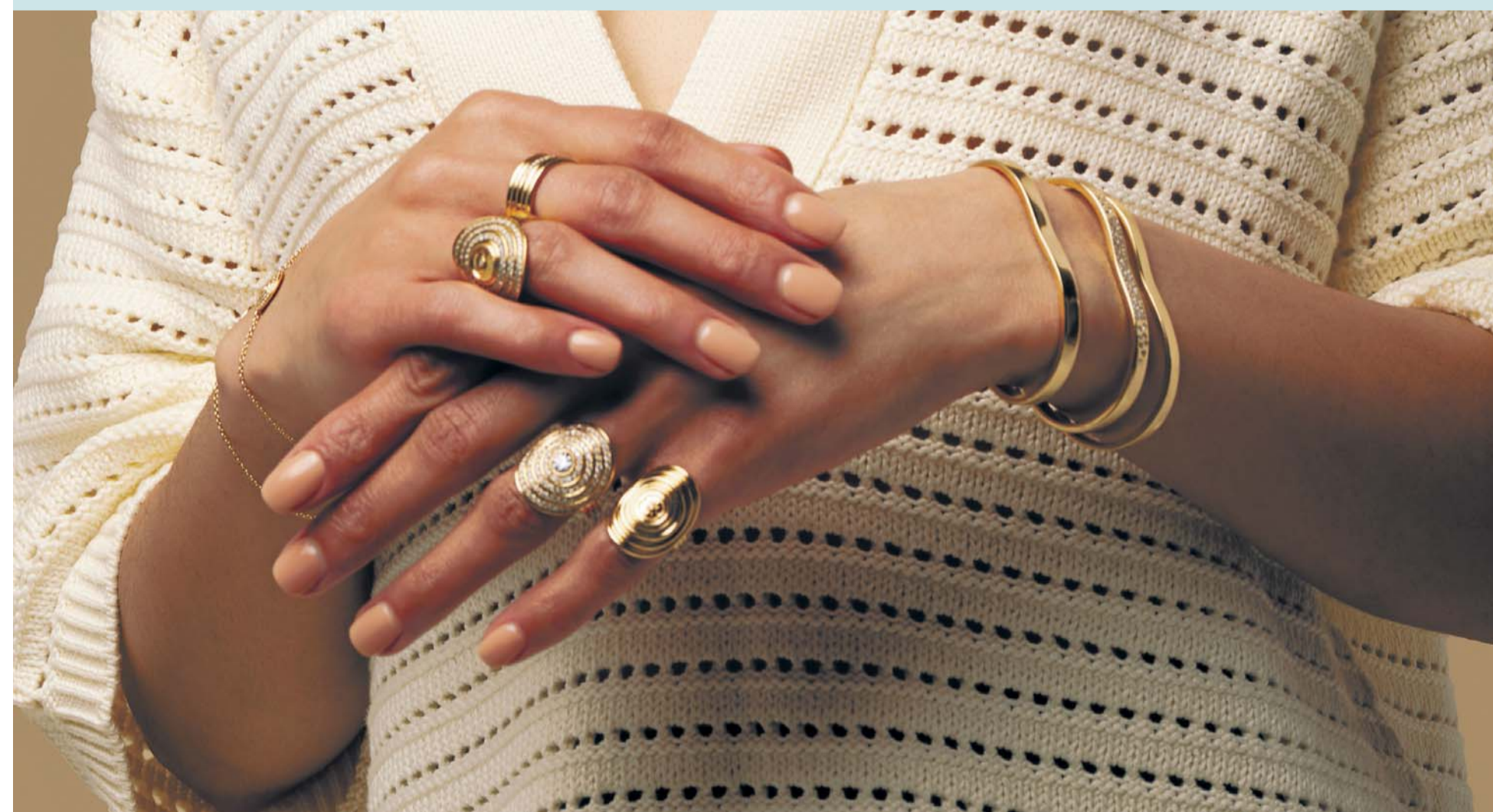
Col. Wu, in his response on Monday, said Beijing is firmly opposed to the allegations. He said the Ningbo had been tracking and surveilling the Toowoomba in waters near

the East China Sea, and did so in accordance with laws and regulations—which he didn't specify.

He said the Ningbo maintained a safe distance from the Australian frigate, abiding by international rules.

U.S. and other Western defense officials have accused the Chinese military of making unnecessarily aggressive maneuvers when intercepting Western warplanes and naval vessels—particularly in areas such as the South China Sea and the Taiwan Strait.

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WORLD NEWS

Explosion Rocks Hospital in Gaza Strip

Patients among those killed in blast, say hospital staff and Palestinians

By Omar Abdel-Baqi and Chao Deng

An explosion Monday rocked the second floor of a hospital in Gaza, killing about a dozen people, including patients, according to hospital staff and Palestinian officials.

Gunfire and explosions around the Indonesia Hospital, in the northern part of the enclave and where thousands are seeking shelter, have intensified, said the hospital's medical director Marwan Al-Sultan. Several Israeli tanks were moving back and forth about 100 feet from the hospital entrance, he said.

Israel says its troops operating outside the hospital responded to fire coming from inside, directly targeting the specific source of enemy fire. The Israeli military said no shells were fired toward the hospital.

Al-Sultan said he was sleeping on the hospital's third floor when a blast came through a window of the second floor at about 2:30 a.m. Monday, badly damaging the postoperative recovery area.

The Indonesia Hospital in Gaza is the latest medical facility caught up in the fighting since Israel launched its opera-

tion following the Oct. 7 attacks on Israel by Hamas militants. It comes days after Israeli forces took over the largest hospital in Gaza, the Al-Shifa Hospital, causing most of the patients and staff to flee. Indonesia Hospital had a capacity of some 235 beds before the war—about a third the size of Al-Shifa.

Israeli operations in and around Gaza's hospitals have become one of the most controversial parts of the country's operation in the enclave aimed at rooting out Hamas. Hospitals are protected during conflict under international law, but they lose that if they are being used for a military purpose. Israel claims Hamas is using hospitals for military purposes. Hamas denies the claims.

In reference to reports of clashes at the Indonesia Hospital, John Kirby, a spokesman for the White House National Security Council, said the U.S. had no specific intelligence about "the degree to which Hamas is or is not using that particular hospital." He reiterated the U.S. position that it doesn't want to see firefights in hospitals.

Israel and Hamas are still negotiating an internationally brokered deal to pause fighting and free some of the more than 230 hostages taken by Hamas on Oct. 7, officials close to the talks said Monday. Under one scenario, Hamas would release 50 women and children in exchange for a large number of Palestinian women and children held in Israeli prisons



Egyptian medics wait with incubators to receive premature babies evacuated from Gaza.

and a five-day pause in fighting without overhead surveillance, said senior Egyptian officials close to the talks.

On Monday, 28 premature babies who were evacuated from Al-Shifa Hospital arrived in Egypt, according to Egyptian officials. Just more than half the infants were transported to El Arish Hospital on the coast of Sinai, while the others were airlifted to other hospitals in Cairo, said Egyptian officials. Only six mothers of the babies accompanied the infants, Egyptian officials said.

The United Nations Office for Coordination of Humanitarian Affairs said five pre-

mature babies died in recent days because of a lack of fuel. Israel largely has cut off the supply of water, electricity, fuel and other essentials to Northern Gaza as part of efforts it says aim to root out Hamas. Before arriving at Al-Shifa last Wednesday, Israel military officials said Hamas had fuel and should be responsible for providing it to hospitals.

Indonesia Hospital also has struggled with a lack of fuel and largely has been without electricity for weeks, putting thousands of people in danger, medical staff there say.

On Nov. 5, Israeli military spokesman Rear Adm. Daniel Hagari showed aerial images of Indonesia Hospital taken from 2010, before its construction, and in 2020, a few years after it was completed. The first set of images showed cement arches that Hagari said could only have been used for underground Hamas infrastructure. By 2020, the construction materials were no longer visible and all underground, he said.

Hagari also presented a satellite image showing an outpost 250 feet from the hospital, from where he said Hamas fired rockets into Israel on

Oct. 7. He alleged Hamas steals fuel from the hospital.

Indonesia Hospital director Atef Al-Kahlout wasn't available for comment. Medical Emergency Rescue Committee (MER-C), the Jakarta-based charity that spent about \$9 million to build the hospital in 2012-15, denied it was being used by Hamas but said it had turned over hospital operations to the Health Ministry in Hamas-run Gaza by 2016.

The Foreign Ministry of Indonesia condemned what it called Israel's attack on the hospital.

Arief Rachman, a radiologist and board member of MER-C involved in the initial planning of Indonesia Hospital, said he wasn't aware of underground Hamas infrastructure on the premises. The group built one basement floor for the main building at the request of local health officials who argued it was needed to protect people and medical supplies during wartime, even though it cost more than building above ground, he said.

Al-Sultan said about 4,000 displaced people and 600 injured patients are stuck inside the hospital. Roughly 150 of the patients are disabled and can't move at all, he said.

"The situation is very difficult," Al-Sultan said. "Walk down the corridor and patients are begging for service."

—Summer Said and Ken Thomas contributed to this article.

Israel Plans To Shift Focus South

Continued from Page One

area of active combat, clarifying where civilians can seek refuge from the fighting" in the south, he said.

Israeli officials said they have no choice but to also invade the southern and central Gaza Strip to achieve the Israeli government's aim of removing Hamas from power in response to the Oct. 7 cross-border attack that Israel said killed more than 1,200 people, including many civilians, and resulted in the kidnapping of some 240 others.

Nearly all of the roughly two million people who live in Gaza are now crowded into schools, refugee camps and homes in the south. Since Israel imposed a total siege on the territory in October, Palestinian civilians are increasingly desperate, with dwindling supplies of food, a lack of clean water, no electricity, and sewage overflowing in the streets. Rising Palestinian casualties, with more than

13,000 dead, according to authorities in Hamas-run Gaza, will only increase international pressure for a halt in the fighting. They don't distinguish between militants and civilians.

An artillery shell hit the second floor of the Indonesia Hospital in Gaza on Monday and killed about a dozen people, including patients, hospital staff and Palestinian officials said, while Israel said suspected militants opened fire at its troops from inside the facility. Also on Monday, 28 premature babies who were evacuated from Al-Shifa hospital, Gaza's largest, arrived in Egypt, Egyptian officials said.

One of Israel's objectives in the south will be to block the border with Egypt, including tunnels underneath it, to prevent Hamas from bringing in more weapons and to stop its leaders from escaping Gaza, analysts and Israeli security officials said.

"The main Hamas leaders have never been sitting in the north," said Miri Eisin, a former deputy head of the Israeli military's combat intelligence corps. "They're going to stay close to home and the bulk of them live in central and the south of Gaza."

Israel's top targets are



A man carries a child injured in a strike on Rafah in the southern Gaza Strip on Monday.

Yahya Sinwar, the most senior Hamas leader in Gaza, and Mohammed Deif, Hamas's military commander, whom Israel has accused of coordinating the Oct. 7 attacks.

Israeli warplanes are likely to intensify bombing of Khan Younis and Rafah, the south's densely packed urban areas believed to be honeycombed with Hamas tunnels. That will likely be followed with ground troops advancing from multiple directions, isolating Hamas strongholds and slowly clearing them of fighters above ground.

In a sign of the intensifying

focus on the south, an Israeli airstrike on Saturday hit a housing development on the outskirts of Khan Younis, a spokesman for the Ministry of Health in Hamas-controlled Gaza said. The attack killed 26 people and wounded another 20, he said.

An Israeli military spokesman said he couldn't comment on the target of the attack.

Israeli troops have stayed out of the tunnels in the north, commanders said, opting to blow up the entrances in many cases when they find them to prevent Hamas from using them to mount am-

bushes. But as the search for hostages continues in the south, determining which tunnels can be destroyed without endangering hostages could prove increasingly difficult.

Lt. Col. Richard Hecht, a spokesman for the Israeli military, underscored the difficult tactical issues facing its commanders as they weigh the next steps in the south: "I can't tell you what our operational plan is. We still haven't decided it yet," he said on Friday.

Palestinians who are now crammed into a smaller section of the enclave have no viable way of leaving. To the south, the Rafah border crossing with Egypt remains closed for all except those with special permits, usually people with foreign citizenship. To the north, Gaza City is now largely uninhabitable.

Israeli warplanes recently dropped leaflets in southern Gaza encouraging residents to flee to an even smaller area called al-Mawasi, about half a mile wide and 9 miles long along the Mediterranean coastline. Israel said it wants to set up a safe "humanitarian zone" in the area. U.N. officials have said the idea is unworkable.

Israel's anticipated assault on southern Gaza will likely

raise the pressure on Egypt to allow more Palestinian refugees to enter the country. Egypt has so far rejected the idea of accepting a large number of Palestinians on principle, calling it an attack on Palestinian territorial integrity. Egyptian officials also have security concerns about the potential for militants to enter the country.

The leaders of U.N. humanitarian agencies and other major relief groups have rejected calls for the creation of a humanitarian zone in southern Gaza, arguing that civilians should be protected from attacks wherever they are. The U.N. also urged Israel to rescind its initial demand for Palestinians to leave northern Gaza.

In southern Gaza, basic services are breaking down.

"A population that was already starved of basic needs is now completely on its knees. We're seeing the breakdown of basic needs even in the south," said Sam Rose, director of planning at the U.N. Relief and Works Agency that serves Palestinian refugees. "We were stretched beyond breaking point anyway. Things were already grinding to a halt. Things are going to get worse."

—Abeer Ayyoub in Istanbul contributed to this article.



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FROM PAGE ONE

Students Schooled in Small Talk

Continued from Page One

Parment said she was awkward when she entered the room until another student pulled her into a conversation, and she explained her dream of finding a job for a non-profit. She now works for a group that aids homeless families and those at risk of becoming homeless.

Everybody seems to have a theory about why many young adults have trouble with so-called soft skills, which include the art of persuasion and civil conversation. Blame smartphone addiction, Covid

cocooning or helicopter parenting. Regardless of cause, a growing number of college professors in various disciplines around the U.S. are trying to keep professional chit-chat from becoming a lost language.

Claire Ralph, a Caltech computer-science lecturer, said when she started at the campus in 2016 she was surprised that a fifth of her students had spent five months looking for a job—not even getting interviews. She asked to see copies of their cover letters. One began, “Hey waz-zup y’all.” The student explained that “someone said a cover letter should be friendly,” Ralph recalled.

She talked about students’ communication shortcomings with colleagues. Everyone came to the same conclusion: “It was a hole people knew existed,” she said, but “didn’t know how to plug.”

Employers see it, even if students don’t. When college seniors were asked to rate their communication, nearly 80% responded “very/extremely proficient.” Only 54% of employers agreed, according to 2022 surveys by the National Association of Colleges and Employers.

Mathews said she understood why many of her students weren’t getting hired for jobs, saying they offered “no evidence that they had the interpersonal or communication skills to succeed at them.” That prompted her to initiate the Job Market Boot Camp and similar exercises to help students unmuting.

When teaching “The Canterbury Tales,” Mathews holds a mixer where students pose as characters from the book while delivering an elevator pitch. Students learn the book, she said, and ease into networking “in a way that’s not

so personalized, so they don’t feel like they’re on display.”

At Caltech, Ralph created Tech Fest, a networking event with alumni, and Dining with Teach, which pairs students and professionals for a simulated business lunch at a campus restaurant. In one class, she invites people in computer science to talk about their jobs and chat with students. It seems to be working, she said. Seniors seeking jobs after graduation are now all getting offers.

Rachel Toor, a creative writing professor at Eastern Washington University in Cheney, Wash., asks students as an exercise to write a cover letter explaining why she should accept them into her class. The assignment, she said, revealed another problem—a painfully self-absorbed point of view.

Among her examples:

I want to take this class be-

cause I am a poet and need to get a class out of my genre.

I am a good writer and have done well in my creative writing courses.

I am a great applicant and this will get me what I want.

She asked for a volunteer to share their letter with the class, which further stirred her despair. Since the students seemed to all write in similar fashion, most had no criticisms. A cover letter, she told the class, was supposed to “make people fall in love with you.” In the job market, that means explaining how the company will benefit, she said, not the applicant.

David S. Salisbury does much of his academic research in remote parts of the Amazon, where he lives among indigenous people and communicates in Spanish and Portuguese with tribe members who know the languages. He faces bigger hurdles on

campus. “Students’ interpersonal skills are not as sharp as they used to be,” said Salisbury, a professor of geography, environment and sustainability at the University of Richmond in Richmond, Va.

Salisbury stops class when a student doesn’t refer to a peer by name. “If a student says, ‘I really enjoyed Brian’s idea, but I think this might be something to add,’ I say, ‘I love how you mentioned Brian’s name,’” he said.

Last year, he joined students and alumni at a cocktail party ahead of a conference aimed at helping students network with younger professionals. At the event, he helped introduce shy students to alumni. “Some of us were freaking out because we didn’t know how to respond,” said Jeff Tsai, a sophomore biology major. “He supported me in striking up a conversation.”

GM Cruise Unit Skids Off Course

Continued from Page One

be near human drivers and pedestrians. On Sunday night, following a turbulent month in which the company lost permits in California and paused operations, Cruise co-founder Kyle Vogt resigned as chief executive. On Monday, Dan Barra, his Cruise co-founder, also quit.

The late-night shake-up compounds uncertainty about a venture that not long ago was seen as one of the bright spots in the tenure of GM Chief Executive Mary Barra, a champion of the technology. News reports about misbehaving driverless vehicles belonging to Cruise and other companies, however, have tempered expectations that the movement was on the cusp of transforming human transportation. GM is on pace to lose more than \$2 billion on Cruise this year, equal to 16% of its expected full-year operating profit.

Vogt, a 38-year-old engineer, whiz and vegan who has run marathons on each of the globe’s seven continents, is the second chief executive to depart Cruise in as many years. He had bristled at the backlash triggered by the mishaps, emphasizing that the company was trying to reduce car crashes and deaths from human drivers. “We as a society seem to be more focused on the anecdotes and headlines than on the real problem,” he said in July.

Red flags

Even before the June 2022 launch of Cruise’s paid driverless taxi service in San Francisco, red flags were popping up inside the company, including flaws flagged by employees and later cited as factors in crashes. In a span of 15 months, Cruise recalled software on its vehicles three times after receiving reports of collisions, and federal regulators have launched two safety-defect investigations, which are continuing.

On Oct. 2, a hit-and-run driver in San Francisco threw a female pedestrian into the path of a driverless Cruise car, which pinned her underneath and dragged her for about 20 feet. The driverless vehicle was trying to pull over, a maneuver it was programmed to do if it detects a crash, Cruise said.

About three weeks later, California regulators pulled Cruise’s permit to operate autonomous vehicles, and the company days later suspended its 400-car fleet across San Francisco and other cities. Cruise’s board hired a law firm to investigate the company’s response to the incident.

On Sunday, Cruise appointed two presidents to run things: Mo Elshenawy, the head of engineering, and Craig Glidden, GM’s general counsel, who also is a Cruise board member.

Cruise has defended its decision to roll out service last year, first in San Francisco, then in Austin, Phoenix and Houston. It said it suspended operations to conduct a safety review and regain public trust.

A Cruise spokesman said the company puts cars on the road only after its internal metrics determine that their on-road performance would be superior to human drivers. The company has said that in San Francisco, its driverless cars in their first million miles of operation were involved in 65% fewer collisions,

on average, than ride-hail vehicles.

GM, which owns about 80% of Cruise, wants to turn Cruise into an Uber-like, ride-hailing service. Executives have said the business could generate as much as \$50 billion in annual revenue by 2030, at higher profit margins than GM’s traditional car-making business.

Cruise executives have been adamant that its autonomous vehicles are safe and even superior to those with drivers. In July, the company ran full-page ads in several newspapers stating: “Humans are terrible drivers.”

“Cruise is no longer a science project,” said Vogt that same month. “There was once significant risk and reasons to doubt. But it’s now a rapidly growing business.”

For years, Cruise has been a core part of GM’s story as it tries to refashion itself as a technology company and fend off newcomers to the car business, such as Apple and Alphabet’s Waymo. In a written statement Thursday, GM said its commitment to Cruise and commercializing its technology is steadfast.

GM spent about \$1 billion in early 2016 to buy Cruise, then a 40-employee San Francisco-based startup that had developed a system of radars and sensors to control some vehicle functions in highway driving, including steering and braking.

Vogt, its co-founder, had studied computer science and electrical engineering at the Massachusetts Institute of Technology from 2004 to 2008. Around that time, he participated in a federally sponsored autonomous-driving competition.

By the time GM acquired Cruise, industry executives were viewing ride-hailing companies and other tech innovations as threats to the car business. Many wanted in on the driverless-car movement.

Adding Cruise helped sparked a rally in GM’s stock price, and investors cheered several big outside investments into Cruise in 2018 and 2019. In early 2019, Barra dispatched then-GM President Dan Ammann from Detroit to San Francisco to serve as Cruise’s CEO, and Vogt became chief technology officer. Under him, Cruise grew rapidly, to more than 2,000 employees.

After years of testing, GM executives in 2017 said they aimed to deploy a driverless ride-hailing service “in large scale” in two years. By July of 2019, though, Ammann walked back the goal, saying Cruise



Cruise representatives and law-enforcement officials examined a wreck in Austin, above; Cruise co-founder Kyle Vogt, who resigned Sunday, at a 2020 event, below.



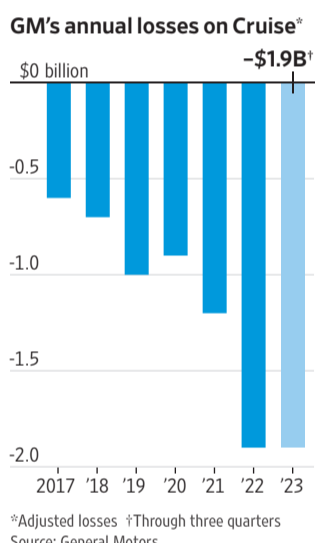
needed to log more test miles.

After three years leading Cruise, Ammann was pushed out in late 2021 because of a disagreement with Barra over Cruise’s direction.

Vogt was named CEO in February 2022. More than a decade earlier, he had co-founded Twitch, an online video channel for watching and broadcasting people playing videogames that was acquired by Amazon.com in 2014 for nearly \$1 billion. His Twitch co-founder, Emmett Shear, was named CEO of OpenAI on Sunday.

Within months, Vogt began planning expansions in late 2022 into Austin and Phoenix, with additional cities to follow. He had a close working relationship with Barra, who mentored him on strategy but also gave him independence to develop technology and business plans.

Behind the scenes, though,



intersection when the light was green, according to four former employees. To make the turns, the cars had to detect cars coming from the other direction, determine how fast they were going and decide whether it was safe to turn. They struggled to make the calculations quickly and correctly, given their nature to yield to other vehicles.

Warning letter

In May 2022, a month before Cruise was to start offering paid rides in San Francisco, an anonymous letter was sent to a California regulator from a person who said he had been working at the company for a number of years. The letter, which was viewed by The Wall Street Journal, warned that Cruise was moving too quickly and its vehicles were still regularly stopping unexpectedly at intersections and blocking lanes of traffic.

The employee claimed that a risk assessment of a safety concern he had submitted through an internal reporting system hadn’t been completed after six months.

“My subjective opinion from experiencing this and speaking with others at the company is that employees generally do not believe we are ready to launch to the public, but there is fear of admitting this because of expectations from leadership and investors,” the letter said.

A spokeswoman for the regulator said it wasn’t able to reach the letter writer.

A Cruise spokesman declined to comment on the letter or



A Cruise self-driving car stalled at an intersection in San Francisco in July.

specific employee communications. He pointed to the company’s 2022 safety report, which said “every Cruise employee is empowered to provide insight and visibility into any potential safety concerns.” Employees have many ways to raise concerns, including anonymously, the report said.

In June 2022, a day after Cruise got its permit to start charging fares in California, one of its vehicles collided with another car while making a left turn through an intersection. The vehicle’s software failed to correctly assess approaching traffic and slammed on the brakes, the company later said. An oncoming Toyota Prius that the Cruise vehicle assumed was turning right continued straight and slammed into it.

Less than three months later, Cruise recalled the software in 80 vehicles to fix the left-hand turn problem.

Regulators also received reports of its vehicles clustering at intersections and sometimes unexpectedly braking hard, leading to collisions.

Photos posted to social media in late June captured a collection of unmanned Cruise vehicles stopped in the middle of the road. Employees had to manually retrieve some of them, a company spokesman said.

Cruise’s vehicles are programmed to stop or pull over when they encounter situations they can’t safely navigate, which sometimes has caused them to obstruct roads and be hit by other cars. San Francisco residents and officials were growing frustrated by stranded Cruise cars on the city’s already congested streets.

In mid-August, a driverless Cruise vehicle collided with an emergency vehicle responding to a call, injuring a passenger. Shortly after, Cruise agreed to a California motor-vehicle department request to cut its active autonomous-car fleet in half while the agency conducted an investigation.

Several days later, its autonomous shuttle—a toaster-shaped vehicle called the Origin developed for use as a robotaxi—hit the building in Austin.

The test vehicle had been traveling down the road when it experienced a software malfunction and stopped for several minutes, according to local police and fire department reports.

A Cruise employee assumed control remotely and shifted it out of park, which is when the vehicle veered off the road and hit the building with enough force to knock an 8-inch hole into the brick wall.

Cruise said the vehicle was being used in testing, and that the remote-assistance operator erred in taking the shuttle out of park. The company later changed its process for those situations, it said.

GM, which builds the Origin for Cruise, said recently it was pausing production after making a small number of pre-commercial vehicles, but it believes the shuttle is the first scalable vehicle ever designed specifically for autonomous rides.

In the October pedestrian incident in California, Cruise said, its driverless car had detected a collision and attempted to brake aggressively, when a woman struck by another car landed in its path. The Cruise vehicle came to a stop on top of the pedestrian and tried to pull aside with her underneath, leaving her with traumatic injuries.

Within weeks, Cruise recalled the software on 950 vehicles to fix the collision-detection system so that it would remain stationary in such situations, not pull over.



FAMILY & TECH

JULIE JARGON

An online nude-photo scam is ensnaring thousands of teen boys and causing emotional trauma.

Scammers posing as teen girls befriend boys online, share nude photos of a girl and then ask for nude photos in return. Once the boy reciprocates, the schemer demands money be sent by a peer-to-peer payment app and threatens to share the boy's photos with his social-media followers if he doesn't pay.

That is how law-enforcement officials and child-protection experts describe a growing wave of online predators targeting teens. Previously, online sextortion—as they call it—largely involved pedophiles blackmailing kids into sending photos or videos. These new scammers focus on money, law-enforcement officials say.

Three years ago, the National Center for Missing and Exploited Children received fewer than 10 reports of this sort of financial extortion. Last year, the congressionally mandated nonprofit received more than 10,000—and has already received 12,500 this year.

In a survey of more than 6,000 teens and young adults in the U.S. and five other countries conducted by Snapchat's parent company, 65% of respondents said they or their friends have been targeted in schemes where unknown attackers obtained explicit personal imagery or other private information, then threatened to release the material to friends and family. The majority of those approached were boys.

Boys are easily lured because they respond to sexual photos more readily than girls do, says Lauren Coffren, NCMEC's executive director. As soon as boys send their own photos, she says, "The immediate response back is, 'I'm going to ruin your life if you don't pay me.'" More than a dozen teen boys in the U.S. have killed themselves in instances involving these scams, she adds. By law, cases involving child sexual materials need to be reported to NCMEC.

An international crime

I recently spoke to a mom in Hatfield, Mass., who said her 15-year-old son was targeted in a sextortion scheme in July. Someone claiming to be a teenage girl followed him on Instagram, and they chatted via direct message. The two then added each other as friends on Snapchat, where they exchanged nude photos.

As soon as the boy shared a picture of himself, the perpetrator told him to send \$200 or the photo would be shared with his Instagram followers, she said.

The boy sent \$30 via Apple Cash, then another \$40, then \$25 from a gift card. The person shared his photo with at least one of his friends, via Instagram. His



Teen Boys Duped in Nude Scam

Online sextortion aimed at young males now includes monetary shakedowns. Here's how to avoid it.

mom received notifications from Apple about the money transfers and asked him about it. She said he started crying and confessed to her all that had happened.

She called local police and had her son provide statements. She also reported the scam to the Federal Bureau of Investigation, which notified NCMEC, according to documents I reviewed.

Scammers such as these are often based in West Africa, outside of U.S. legal jurisdiction, according to statements from the FBI and Department of Homeland Security. However, there have been some arrests made. In August, two Nigerian men were extradited to the U.S. in an extortion case that involved a Michigan teen's suicide.

The Massachusetts teen's mom had him block the offender, which ended the threats. But she says she's horrified to think what could have happened if she hadn't discovered the scam.

Scammers typically try to get photos via Snapchat, since its disappearing messages leave less of a trail, law-enforcement officials say.

"There are some bad actors that seek to exploit some of Snapchat's hallmark features, but we are determined to make sure that Snapchat is a hostile environment for this kind of activity," says Jacqueline Beauchere, Snap's head of

global platform safety.

An Instagram spokeswoman says the Meta-owned platform removes content and accounts that attempt to extort, harm or solicit inappropriate imagery.

How to protect teens

Teens don't have to feel helpless if they become targets of sextortion.

► **Talk to your kids.** Make teens aware of these types of scams so they can spot them while online. (One giveaway: Girls generally don't ask boys to share nudes.) If a boy is solicited by a stranger, it's probably not a teenage girl.

Advise your kids not to engage with anyone who asks for a nude photo or threatens to create fake nudes. Some bad actors coerce teens into sharing their social-media passwords. Make sure your child knows never to share account passwords. They should block anyone who starts requesting nudes or making threats, and flag any incidents to the social-media network.

► **Protect their social-media accounts.** Snapchat and Instagram have default settings that can make it hard for strangers to find and message accounts whose account holder's age is listed as under 18. Teens should keep their accounts private and only accept friend requests from people they

know. Also, they should set up two-factor authentication on all social-media accounts.

► **Keep an eye on their online friends.** Snapchat, Instagram and Discord allow parents to see who their kids are communicating with and following—and who is following them.

► **Supervise their payment apps.** The criminals behind these extortions usually instruct teens to pay them via peer-to-peer payment apps. You can restrict whom your kids can send money to by creating sponsored accounts for teens on Cash App and Venmo. For teens who use Apple Cash: Set up Apple Cash Family for money limits and transaction notifications.

If photos are shared

► **Stay calm.** Yes, your kid made a mistake. Blaming him might make things worse. Explain that he is a victim of a crime and that you need to work together.

► **Don't pay.** Paying extortionists or providing them with account passwords doesn't stop the crime, Coffren says. The scammers might keep asking for money or share the photos anyway.

► **Report the incident.** The tech companies can only stop criminals if they know about it. Snap recently created a new reporting category to expedite these cases:

Under Snapchat's reporting menu for "nudity or sexual content," the first option is "They leaked/are threatening to leak my nudes."

Though Snapchat is known for its disappearing messages, if the company identifies content involving illegal behavior, it retains the messages for an extended period to aid law enforcement.

Social-media companies are required to report all cases involving child sexual content to NCMEC, but victims and their families should report the incidents to NCMEC, too. The center can coordinate law enforcement and work with tech companies. People can make a report to NCMEC's Cyber-Tipline online or by calling 800-843-5678.

► **Get photos taken down.** Teens can create a digital fingerprint, known as a hash, of their nude photo, and report it anonymously to NCMEC via the center's Take It Down program. The photo never leaves the teen's device, but NCMEC can share the hash with social platforms to search for copies.

Watch a Video

Scan this code to watch a video on the sextortion scam that is preying on teenage boys.



MY RIDE | BY A.J. BAIME

Restoring a Coupe With YouTube Help

Tim Higgins, 67, a retired General Electric aircraft propulsion engineer living in Newburyport, Mass., on his 1970 Triumph GT6+, as told to A.J. Baime.

Some of my earliest memories are in the lousy station wagons my father bought to transport our family of seven around. We were always breaking down at night on the Garden State Parkway or the Connecticut Turnpike. But when I got older, my dad started buying cool cars. I remember a 1975 Toyota Celica and a 1978 Datsun 280Z.

I had a blast driving those cars. But as a teenager, I always liked the

look of the Triumph GT6. I liked small, lightweight cars, like this Triumph, and it had a six-cylinder engine rather than the four-cylinders I was driving around. While it was British, its body lines came from legendary Italian designer Giovanni Michelotti, and I loved the look.

After I retired, I needed a project car. The last car I'd built was a Factory Five Cobra, in 2003. It was so loud! I sold the Cobra, put the money in an account I called the Cobra fund, and, in 2021, I used that money to buy a Triumph GT6+ I found on the website Bring a Trailer for \$7,900.

Triumph built this model from 1966 to 1973 at its factory in Eng-



land. The model was meant to be a fastback coupe version of the famed Triumph Spitfire roadster.

With the help of an online Triumph forum, and several friends and family members, I disassembled the car.

I had a secret weapon: a British friend named Chris Edmonds who

loved to work on British cars. Every Tuesday for two years, he showed up at my barn, and I would give him a cup of coffee with milk and half a sugar, and a sandwich and a beer for lunch. He was a huge help.

I had to learn a lot, so I used what I call "YouTube university." I

learned how to shape sheet metal, to get better at welding, how to paint my own car and how to laminate veneer for the chestnut burl dashboard. I used videos to learn how to 3-D print plastic parts.

The 2.0-liter straight-six engine came from the factory with only 104 horsepower, according to my sources, so I took it apart and rebuilt it so I could get everything I could out of it. I replaced the carburetors with electric fuel injection. The four-

Tim Higgins, left, rebuilt and repainted his 1970 Triumph GT6+ in his workshop barn.

speed transmission was a weakness, so I replaced it with a rugged five-speed from a Ford.

At one point, I promised my father—who's now 98—that I would get the Triumph running in time for his visit to our home from where he was living in North Carolina, last July. The car was still in pieces. But I managed to get it going in time, and my son has a great video of my dad and me in the Triumph, squealing the tires in the driveway. While I had loved the Triumph GT6 for most of my life, this was the first time I had ever driven one.

It's so small that you have to twist your way in, but once you are inside, you feel like you're wearing this car. It bombs down the road. The car looks and sounds like a little British hot rod. It's a long way from those lousy station wagons I remember from my youth.



PERSONAL JOURNAL.

Prepare for State Estate Taxes

As families often find out, these rules are complicated and can change from year to year

By ASHLEA EBELING

Karl Yee was about to pay a nearly \$112,000 Massachusetts tax bill for his late mother's estate when he got a reprieve from the governor. A retroactive change to the state's estate-tax law had dropped the estate's bill to \$12,000.

"Hallelujah!" he said, after hearing the news.

While the federal estate tax hits only the wealthiest Americans, the thresholds for state estate and inheritance taxes are generally much lower. These taxes can cost heirs tens of thousands of dollars they aren't expecting to pay, along with the grief of figuring out how to pay the bill when the bulk of an estate's value is tied up in a house or business. The problem is especially acute now because of the recent meteoric rise in real-estate values.

As families like the Yees often learn too late, the state tax rules are complicated and subject to change, estate lawyers said.

Seventeen states and the District of Columbia have an estate tax, an inheritance tax or both. Generally, your estate will be subject to these taxes if you consider one of these places your permanent home or you have property there.

Estate taxes get levied at rates of up to 20% on estates over a certain threshold, known as the exemption amount. Estate-tax exemption amounts vary from \$1 million to \$12.92 million.

Inheritance taxes are slightly different. They aren't levied on the estate, but the heirs. The much lower exemption amounts and tax rates depend on the heir's relationship to the deceased.

Unmarried partners typically pay the top rate. In New Jersey, for example, if you leave your estate to a niece, nephew or unmarried partner, they are taxed at 15% on assets up to \$700,000 and 16% on assets above \$700,000.

There is no estate or inheritance tax when assets are left to a spouse who is a U.S. citizen.

Estates paid \$6.7 billion in death and gift taxes at the state and local level in 2021, according to the Urban-Brookings Tax Policy Center. In Pennsylvania, close to 50,000 estates brought in some \$1.5 billion in the 2022 fiscal year, according to the state department of revenue.

The threshold for an individual to owe federal estate taxes is \$12.92 million, and it rises to \$13.61 million for 2024. In 2021, 2,584 estates paid more than \$18.4 billion in federal estate taxes. Only one state, Connecticut, matches the federal threshold.

Unlike the federal tax, a big



Karl Yee, top and left, in the Brookline, Mass., home he shared with his late mother, Suy Kue Yee. A retroactive estate-tax law change meant \$100,000 in tax savings.



When states change the threshold

Yee's tax bill dropped when Massachusetts became the latest state to soften its estate-tax bite, doubling the exemption from \$1 million to \$2 million.

That leaves Oregon as the only state with a \$1 million threshold. Its legislators passed a law retroactive to deaths as of July 1 that exempts up to \$15 million of farm, forestry and fisheries property from its estate tax. That provision would have knocked about

\$100,000 off the estate-tax bill for a client who left his 60-acre fruit orchard to his son last year, Flores said.

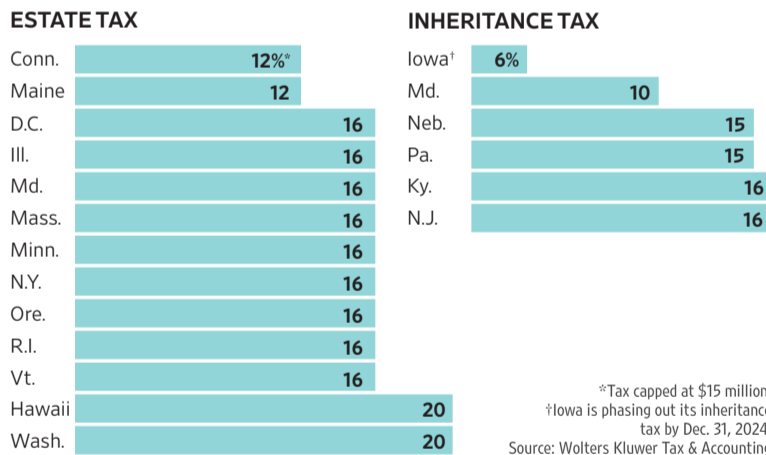
States are also changing inheritance-tax rules.

Iowa is phasing out its inheritance tax after Dec. 31, 2024. Nebraska reduced its top inheritance-tax rate to 15% from 18%, effective Jan. 1, and eliminated taxes for heirs under 22. Efforts are under way to get a question on the 2024 ballot asking voters whether they want to ditch the tax altogether.

Richard Clements, an estate lawyer in Elmwood, Neb., is handling the estate of a mail carrier who died last year and left his farmhouse to his college-age niece and nephew. They had to take out an additional loan on the house to

State Estate and Inheritance Taxes for 2023

Seventeen states and the District of Columbia have an estate tax or an inheritance tax or both. Here are the top rates for 2023.



share of state estate- and inheritance-tax revenue doesn't come just from the wealthiest families, but from the large number of smaller estates subject to the levy.

The state estate tax wasn't on the Yee family's radar.

His mother, Suy Kue Yee, who worked as a union seamstress and his father, Bake Yee, a cook at a Chinese restaurant, immigrated from China when he was 8 months old. When his mother died in January, at age 93, she was living in the two-family home the couple bought for \$43,000 in 1970.

The house, now appraised at \$2.08 million, plus her bank account balances, put her estate in Massachusetts estate-tax territory. Karl and a sister are working out a deal to buy out their three siblings' shares so they can stay in the house.

"Are people caught off guard? Yes," says June Wyrick Flores, an estate planning and administration lawyer in Portland, Ore.

No One Should Pick You Up at The Airport

By NIKKI WALLER

Want to be a hero this holiday season? Get yourself home from the airport.

The airport pickup, a sweet tradition we all remember from "Die Hard 2," has become a heavy obligation in an era of travel and traffic stress. Your parents say they don't mind coming to get you, but they planned the Thanksgiving menu, hauled out the folding chairs, peeled potatoes and procured the pumpkin pie. They have to brave the airport's busiest days, too?

For the traveler, an airport pickup can feel like magic. You stroll off the plane, roller bag whizzing along behind you, and there Mom or Dad await curbside to whisk you home.

Now consider what they went through to get there. There's a slog through traffic snarls on perpetually-under-construction roadways. The death-defying merges to enter the airport. A purgatorial wait in the cellphone lot until they get confirmation that your flight landed—oh, hold on, the plane is circling again, 15 more minutes. Now the gate is blocked, 15 more...did anyone bring a granola bar?



And then you're finally off the plane and it's time to pull to the curb. No sooner does Mom brake than—SCREECH!—the airport traffic warden is whistling at her to keep on moving or risk a ticket.

One big knot

Our terminals and roadways are teeming. Passenger loads at many North American airports are at or beyond 2019 levels. Meanwhile, competition for curb space outside arrivals and departures has grown intense with Uber and Lyft vying for space with taxis and limos—not to mention your family's Ford.

Compounding the misery are airport construction projects that can mess with those trying to reach airports in San Diego, Salt Lake City

and San Francisco, among others.

At New York's John F. Kennedy International, Terminal 1 is under construction, as are Terminals 4 and 6, and some airport roadways. Not to mention the Van Wyck Expressway, one of the main arteries for getting to JFK.

"You shouldn't even think of driving there," says Sam Schwartz, a consultant and former New York City traffic commissioner better known as Gridlock Sam.

The airport really doesn't want cars there either, as evidenced by rising parking costs and ever-stricter crackdowns on curbside space hogs.

"I wouldn't pick up anybody," Schwartz says. He'd rather pay for someone's airport ride. (The former

taxi driver votes for a yellow cab.) "My daughter knows not to even approach me."

Traffic in the U.S. is up, with more of us driving to work, running errands and summoning delivery vans to our homes.

"We know congestion levels have only gotten worse and worse throughout the country," says Scott Monroe, a senior director in Fitch Ratings's Global Infrastructure Group, who adds that he hopes his in-laws read this article.

Some airports are trying to fix road congestion, Monroe's colleague Seth Lehman tells me while in the car en route to Newark's airport. Others, like Dallas Fort Worth International, cover so much square mileage that there's plenty of room on the road. But late-arriving flights mean your meeter-greeters, as airport hands dub them, could drive in aimless loops for ages as your plane circles overhead.

Among those on the pro-pickup side is my colleague, Carry On columnist Dawn Gilbertson, and little wonder why: Her home airport is Phoenix's Sky Harbor, ranked No. 1 in the country. (Plus she's a much better mother, daughter and friend than me.)

A pickup is clearly the right thing to do when you have elderly relatives who may struggle with baggage or lack the smartphone skills to summon an Uber. But if you can

pay the \$40,000 inheritance-tax bill. They are now selling, reluctantly, Clements said.

"Sentimentally, it would be nice to keep the house that their great-grandparents owned," he said.

How to plan for state estate taxes

If you live in a state with an estate tax or expect to inherit from someone who does, here's what to know:

► **Watch out for the estate-tax cliff.** In New York, when the estate's value is slightly higher than the exemption amount, the effective tax rate on the excess value is extraordinary, said Toni Ann Kruse, a private-client lawyer with McDermott Will & Emery in New York City. For an estate that is valued at \$6.9 million, 5% above the \$6.58 million New York exemption amount, the estate tax would be \$626,000, a 9% effective tax rate but a 190% marginal rate on the excess.

For estates near the so-called cliff, taxpayers can give away assets to reduce the value of their estates before death, or include a clause in their will that directs any amount in excess of the exemption amount to charity, Kruse said.

Illinois has a similar cliff at \$4 million. The new Massachusetts law eliminated its cliff, which is why the savings for the Yee estate was so dramatic.

► **Check for inflation adjustments.** Some states, like Rhode Island which has a \$1,733,264 exemption, increase the threshold each year in line with inflation. That helps keep more estates below the new thresholds, even as the value of the assets grows. In other states, like Illinois at \$4 million, the amounts are static, snagging more estates as asset values rise.

► **Nonresidents can owe estate taxes.** If you live in a state with no estate or inheritance tax but own property in a state that has one, you can still be on the hook for taxes.

Flores just completed an Oregon estate-tax return for a Nevada transplant who kept investments properties and his former home in Bend, Ore. The investment properties were shielded from Oregon taxes because they were held in a limited liability company. The son, who was the executor, was surprised that he had to pay Oregon estate taxes of about \$65,000 on the \$640,000 home, which wasn't put in the LLC, Flores said.

► **Revisit your estate plan.** In cases where real estate is a big part of the estate, and the heirs will want to hold on to it, think through how they will pay the tax.

"It can be a real cash crunch," said Nikolaus Schuttauf, an estate lawyer in Boston.

Another wrinkle: In many states, for married couples to take full advantage of the exemption amounts for both spouses, their estate plans have to include trusts known as credit shelter trusts, he said.

► **Move out of state.** The ultimate move to avoid state death duties is to move. Jeff Bezos recently said he was relocating from Seattle to Miami, a step that could shield his heirs from Washington state's estate tax.

A pickup is clearly the right thing to do when you have elderly relatives.

order a burrito from your phone, you can hail a ride-share car.

Real-life movie scenes

"What about romance?" you ask. Toronto's Pearson International Airport recently opened a flower shop in its international arrival hall, where the airport's chief executive, Deborah Flint, says she likes to observe happy reunions.

"The airport is that magical place," she says.

But few things tamp the flames of passion more than sitting bumper-to-bumper on the 405, trying to get onto Century Boulevard and into LAX.

Giving an airport ride is a classic early-stage romance move and a setup for eventual disappointment, as Billy Crystal's Harry asserts to Meg Ryan's Sally in "When Harry Met Sally...": "Eventually

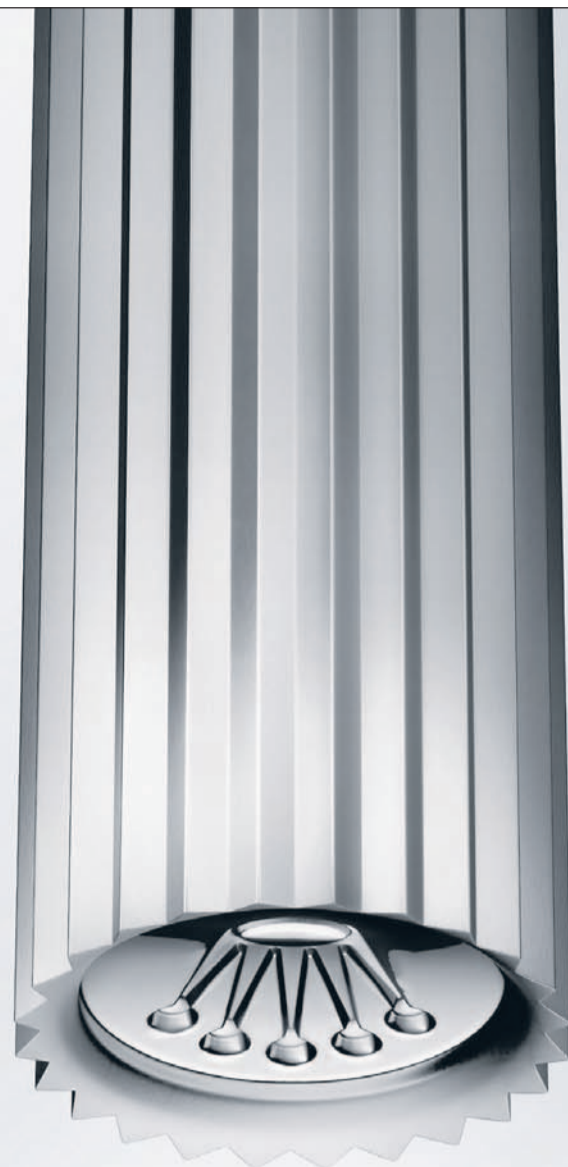
move on and you don't take someone to the airport, and I never wanted anyone to say to me, 'How come you never take me to the airport anymore?'"

Yes, you deserve someone who picks you up from the airport, as United Airlines posted online recently. But your sometimes deserve even more.

Seize your power and let them off the hook, this year and every year. Set a new expectation: a cold drink waiting for you when the cab drops you at home.

SIMON SHAW FOR THE WALL STREET JOURNAL (2)

PHOTO ILLUSTRATION BY ELENA SCOTT/THE WALL STREET JOURNAL. GETTY IMAGES



WHAT MAKES A ROLEX A ROLEX?

It's not the wheels and cogs. It's not the steel we shape nor the gold we forge. It's not the sum of every single part that we design, craft, polish and assemble with countless skills and constant care. It's the time it takes. The numerous days and months that are

necessary until we can print this single word on each individual dial leaving our workshops: "*Superlative.*" It's the mark of our autonomy, responsibility and integrity. This is all we make, but we make it all. So that, in time, you can make it your own.

#Perpetual

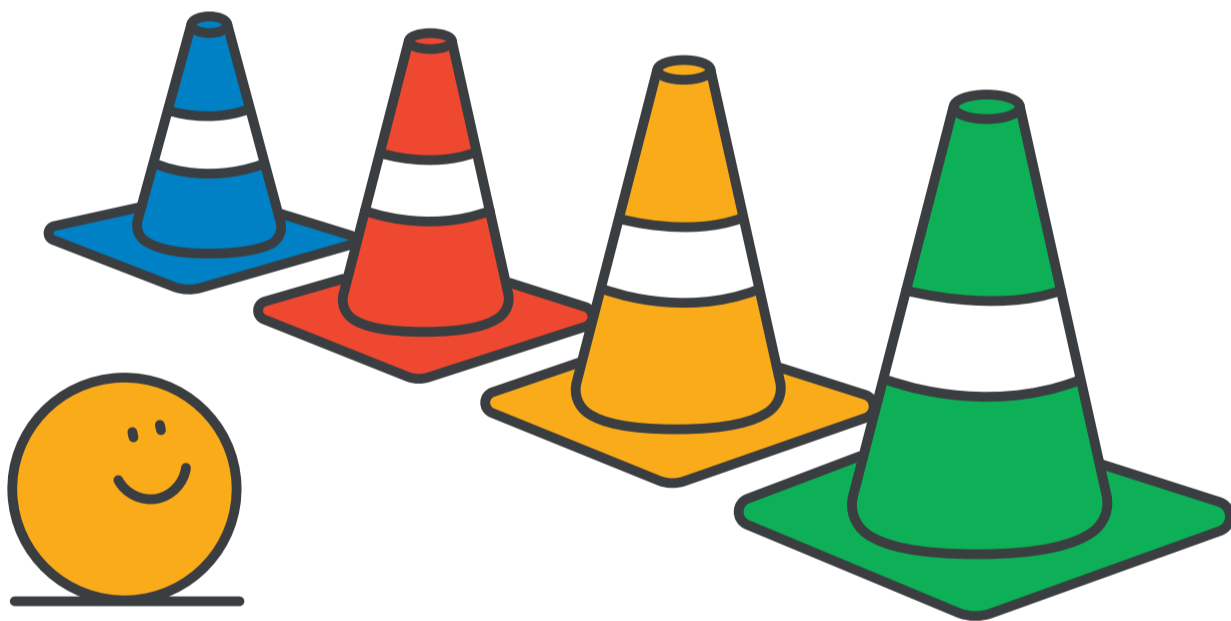
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Making the internet safer for kids and teens.

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ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Flying Solo On Flute

André 3000 releases an instrumental album

As one-half of the Atlanta hip-hop duo OutKast, rapper André 3000, born André Benjamin, helped change the sound of popular music. When he and Big Boi released their first album together in 1994, hip-hop's two power centers were New York and Southern California. By the time the pair issued their masterpiece, "Aquemini," in 1998, Atlanta was firmly established as an important outpost for the genre. In the early 2000s, OutKast was both a commercial and artistic force, selling millions of records—2003's "Hey Ya!," written and produced by André, topped the Hot 100—while swirling together a wide range of colorful and psychedelic styles into a sound that was all its own. And then, after the 2006 album and film "Idlewild," OutKast called it a day. Though the duo reunited as a festival-headlining live act for a single year in 2014, there would be no new music from the pair.

Big Boi launched a successful solo career in 2010 while André moved on. He turned to acting, starring in movies including the Jimi Hendrix biopic "Jimi: All Is by My Side" and Claire Denis's "High Life," and he started a fashion line. Though rumors of a solo album cropped up regularly, his musical contributions were limited to guest verses on other artists' singles, including memorable turns on songs by Drake, Frank Ocean and Beyoncé. He took up the flute and

was often spotted playing in public, with videos of the encounters making their way to social media. In rare interviews, he talked about hip-hop as a young person's game, and felt that the specifics of his life now as a man in his 40s didn't translate to rap. Last week, André shocked the music world with the announcement of his first solo album, "New Blue Sun" (Epic), released Friday: It's an 87-minute instrumental recording, co-produced with jazz multi-instrumentalist Carlos Niño, that's steeped in new-age music and features André on various wind instruments.

The first thing to know about "New Blue Sun" is that while the style of music on the record may be new to many OutKast fans, it is a creative sphere with a history that goes back many decades and is currently enjoying a renaissance. In the broadest sense, the music here draws loosely from the vibes of the spiritual jazz of the late '60s and early '70s—think Alice Coltrane and Pharoah Sanders, in bands with gongs, bells and drones—and channels them into moody pieces with instrumental textures from around the world that are transformed via electronics.

André's song titles are long, funny, and recall his lyrics. The opening track, "I Swear, I Really Wanted to Make a 'Rap' Album but This Is Literally the Way the Wind Blew Me This Time," serves as a statement of purpose, while the music drops us immediately



especially democratic. No individual part stands out among all the others—it's about how each works in context. On the sixth track, "Ghandi, Dalai Lama, Your Lord & Savior J.C.," over a bed of tinkly piano, distant wordless voices, and pungent clattering percussion, André plays clipped repeating phrases, as if he's considering every possibility of a melody before settling on one he likes. Synthesizers are prominent on the seventh track, "Ants to You, Gods to Who?," playing a sequence that seems to slosh back and forth like the water when a large body exits a bathtub. It's difficult to tell where the keyboard leaves off and where André's digital flute begins.

The length of "New Blue Sun" works against it, undercutting the notion that this is music to be given close attention rather than something to put on when new-age ambience is required. But there's more going on here than just a soundtrack to another activity, and the record is filled with delightful surprises that carry emotional force. That said, it's ultimately a good album and not a great one. For those familiar with the world of Mr. Niño and his extended network of collaborators, this stands as a solid but not revelatory slice of instrumental music. When listening, you often find yourself thinking "That's André 3000," and that obviously has a great deal to do with the heightened interest surrounding it. Still, "New Blue Sun" succeeds on its own terms and is an intriguing new step in a fascinating career.

The former OutKast member's surprising new record, 'New Blue Sun,' is out now on Epic.

cense and crystals. The third track, "That Night in Hawaii . . ." (we'll excerpt the titles to conserve space), has deep, powerful drums from Mr. Niño that lend an undercurrent of menace. These pieces are rich in atmosphere but are constantly changing, and this searching quality keeps the music from slipping easily into the background.

While this is André's album, it's not always easy to tell which instrument handles a given sound, and that makes the record seem

into this collection's colorful world. It starts with the sound of an organ played by Surya Botofasina, a devotee of Alice Coltrane, which immediately conveys a feeling of devotional music, and shortly after André enters on what's credited as a "digital wind instrument," a flute-like device whose timbre is determined by electronics (here, it has the pure tone of a Theremin).

That the music includes such darkly shaded elements and also has a highly variable dynamic range, which suddenly shifts in volume and emphasis, sets it apart from the more functional neotribal new-age music that one might hear in a shop selling in-

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF NOVEMBER 21

By WSJ Arts in Review Staff

Film
"Napoleon" (Nov. 22)
 Ridley Scott's much-anticipated historical epic about the historic figure arrives with Joaquin Phoenix in the title role alongside Vanessa Kirby as Empress Joséphine.



Joaquin Phoenix in Ridley Scott's 'Napoleon'

"Wish" (Nov. 22)
 Walt Disney's latest is an animated musical, directed by Chris Buck ("Frozen") and Fawn Veerasunthorn (in her directorial debut), about a teenager who teams up with a magical star to fight against the dark powers commanded by the leader of her kingdom.

"Monster" (Nov. 22)
 Japanese director Hirokazu Kore-eda ("Shoplifters") returns with a drama, which won an award at Cannes, about a mother who senses something off about her son, then confronts his teacher in an attempt to discover what's affecting him.

TV
"Genie" (Peacock, Nov. 22)
 Comedy fans who've been wishing for more Melissa McCarthy will have their desires granted in this film, written by Richard Curtis ("Love Actually"), in which she plays the titular supernatural being.

"Good Burger 2" (Paramount+, Nov. 22)

A second helping of the skit-turned-'90s-movie is served up, with Kenan Thompson and Kel Mitchell back in their roles as burger flippers.

"Squid Game: The Challenge" (Netflix, Nov. 22)
 In a discomfiting bit of life-imitates-art program-

bring to life the magic of Tchaikovsky's music, E.T.A. Hoffmann's story, Balanchine's choreography and Karinska's costumes.

Opera
"Li Keur: Riel's Heart of the North" (Centennial Concert Hall, Winnipeg, Manitoba, through Nov. 24)

The first full-scale Indigenous-led opera presented on a Canadian opera mainstage, this Manitoba Opera production tells the story of a 21st-century woman transported to the 1870s who connects with an ancestor and falls in love with a man fleeing assassins.

Art
"Look Again: European Paintings 1300-1800" (The Metropolitan Museum of Art, New York, now open)

After a five-year project to replace their skylights, the European Paintings galleries at the Met reopen, exhibiting more than 700 works across 45 spaces and diving into art history from 1300-1800. The reconfigured galleries highlight Met treasures, new acquisitions and major loans, chronologically exploring the fertile, cross-cultural artistic exchange that took place throughout the continent.

Last Call
"Here Lies Love" (Broadway Theatre, New York, closes Nov. 26)

Created by the Talking Heads frontman David Byrne and Fatboy Slim, this Broadway musical depicts the turbulent, lavish life of Imelda Marcos, former first lady of the Philippines. Our critic called the show "a disarmingly winning hybrid of disco dance party—replete with a massive mirrored ball hovering over the proceedings—and documentary drama."

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com.

The WSJ Daily Crossword | Edited by Mike Shenk

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- 27 It blows
- 30 Porter Jr. of the Raptors
- 31 Rounded hammer part
- 32 Mgr.'s subordinate
- 33 Dueling weapon
- 34 Tropical cyclone's makeup
- 35 Lawn material
- 38 Pleased with oneself
- 39 Arizona people
- 40 "Damn Yankees" temptress
- 41 Instruct morally
- 46 Six-line stanza
- 47 K-12
- 48 "Shoot!"
- 50 Sleep condition
- 51 Smartly dressed
- 52 Savage
- 53 Linney of "Ozark"
- 54 Build
- 55 Edinburgh native
- 56 Intelligence agency problem
- 60 "There's ___ in team"
- 61 Helms and Harris
- 62 Denebola's constellation

A TASTE OF EUROPE | By Hal Moore

Across	36 Had breakfast	63 Feel bad about	9 Dirty dwelling
1 Prof's deg., often	37 *Tortilla de huevos	64 Shoppe adjective	10 Ring seal
4 Some printers	42 Number between cinque and sette	65 "Swan Lake" princess	11 Rent splitter, perhaps
10 It's guarded in soccer	43 Swinging London subculture	66 Punt's path	12 Memo starter
14 Whopper, e.g.	44 Classical theater	67 Try out	13 Kind of pk. or govt.
15 Go on a spree, maybe	45 React in panic	68 Part of a parent's explanation	19 Clumsy sorts
16 New Rochelle university	48 Ring legend	69 Back muscle, briefly	21 Firestone Country Club location
17 Six-legged worker	49 *Kempense galette	Down	25 Awkward (though grammatical) answer to "Who's there?"
18 *Giaoúrti	55 Producer's triumph	1 Form into braids	60 "There's ___ in team"
20 Noodle nugget	57 Nice round figure?	2 Like more than a billion Indians	26 Leslie ___ Jr. of Broadway's "Purlie"
22 Global news inits.	58 Wine bottle info	3 Put off	61 Helms and Harris
23 Photographer Adams	59 Kind of breakfast suggested by the starred answers (though they wouldn't actually be part of one)	4 Batter component	62 Denebola's constellation
24 *Kahve		5 Read carefully	
28 GPS output		6 Curry of the NBA	
29 Tool for a maid		7 ___ acid (olive oil component)	
32 Former Houston hockey team		8 Ending for neat or beat	
35 Urgent transmission			

Previous Puzzle's Solution

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► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS



Jared Goff, top, and Dorian Thompson-Robinson, below, both led their teams to wins on Sunday.

JASON GAY

A Lions-Browns Super Bowl? The NFL Season Has Gone Mad

Here's how wild it's getting: Two comically misbegotten franchises are legit playoff contenders



Just sitting here on a lily pad at the edge of the universe, trying to figure out what happens if the Detroit Lions meet

the Cleveland Browns in the Super Bowl.

I assume the cosmos will abruptly collapse. There will be a flash of light, a rumble of thunder, a brief narration from the Voice of God, the late NFL Films narrator John Facenda, and that's that.

Two comically misbegotten franchises, bleak memories too plentiful to list, recently revived, playing for football's highest honor in a game neither team has ever reached?

Can't wrap my brain around it. The next thing you're going to tell me is Bill Belichick may be canned in New England.

I'm not saying these unthinkable things are going to happen. But I'm not saying these unthinkable things aren't going to happen, either.

We are more than halfway through an erratic, hopeless-to-predict NFL regular season, and we are climbing through the looking glass.

Here is Detroit: rolling at 8-2,

their best record in 60 years. If you are a Lions lifer who remembers that, kudos. Cleveland is 7-3 for the first time in nearly three decades.

Nice things don't happen to these teams—and now nice things are happening to both in the same season.

The Lions are legit NFC contenders, and have felt that way all year. The Browns are wobblers: championship capable on defense, but iffy on offense, especially since they're now on to their third QB starter, rookie Dorian Thompson-Robinson.

Cleveland also plays in a conference with the Kansas City Chiefs. And the Miami Dolphins. Also this: They are the Cleveland Browns.

But the fact that we're even breathing this idea into existence speaks to the randomness of this NFL campaign. We're closing in on December and, with all due respect to last year's Super Bowl participants, the Chiefs and the Philadelphia Eagles—who tangled on Monday Night Football—I don't see runaway favorites.

I see fun teams with flaws. I see weird teams I didn't expect to be anywhere near playoff conten-



tion that are near playoff contention. I see the NFC South, where not a single outfit is over .500, and should consider folding into a pickleball league.

I also see some quarterbacks I hadn't heard of a few weeks ago.

Hello Tommy DeVito, the New York Giants quarterback who happily lives at home with his parents, scamming free meals and laundry.

Tommy, will you take out the

trash?

But Maaaa, I threw three touchdown passes against Washington on Sunday.

(Long pause.)

OK Ma, I'll take out the trash.

Meanwhile, how am I supposed to make sense of what is happening in Denver, where the Broncos limped out of the gate as America's Laughingstock, giving up 70 points to Miami, and now, after Sunday's 21-20 win over Minne-

By ANDREW BEATON

AFTER QUARTERBACK Joe Burrow suffered a wrist injury last Thursday that will likely end his season, Cincinnati Bengals coach Zac Taylor tried to sound optimistic.

"I'm excited to see this team respond," he said. "This season is far from over."

Taylor was just the latest coach forced to reckon with losing his most important player. A year that began with Aaron Rodgers tearing his Achilles just moments into his debut as a New York Jet has turned into a war of attrition among quarterbacks.

These injuries have already upended the playoff picture as teams scramble to replace their sidelined stars. The most consistent trait of Super Bowl contenders this year has been keeping their quarterbacks upright, and it has never been more costly to have someone at this one particular position get hurt. This unusual flurry of injuries coincides with a moment when quarterbacks are getting paid more than ever.

The quarterbacks who have dealt with major injuries this season—forcing them to miss significant time and in many cases sending them to injured reserve—have contracts with values exceeding \$1 billion dollars. Burrow alone accounts for \$275 million of that after he signed a record-breaking contract before the season that pays him \$55 million a year.

Now a Cincinnati season that kicked off with championship aspirations rests in the hands of quarterback Jake Browning, who had thrown one career pass before subbing in for Burrow during a loss to the Ravens that dropped the Bengals to 5-5 on the season.

Right before Burrow went down, the Cleveland Browns said

A Billion Dollars' Worth of Injured Quarterbacks on the Sidelines



Cincinnati Bengals quarterback Joe Burrow is expected to miss the rest of the season due to a wrist injury.

Deshaun Watson would miss the remainder of the season because he needs shoulder surgery.

When the Browns traded three first-round picks for Watson last year, they handed him a ground-breaking contract that's fully guaranteed for \$230 million over five seasons. They haven't gotten much of a return on that investment. Watson has played in just 12 games during his first two seasons with the club, owing to injury and an 11-game suspension in 2022.

Watson's injury also came during a season the Browns were all in on financially.

When they tweaked Watson's contract earlier this year, it reduced how much he cost against this season's salary cap and allowed them to afford the other talent on their roster. That bill will be due in the coming years, when his cap cost will sky rocket and gum up their books.

The Browns still have a good shot at the playoffs because of all

that other talent. Buoyed by arguably the NFL's best defense, the Browns managed to beat the Steelers 13-10 on Sunday despite a poor game from rookie Dorian Thompson-Robinson.

The Giants are another team that handsomely rewarded their quarterback with a rich new contract last offseason. Then with a new \$160 million deal, Daniel Jones regressed before he tore a ligament in his knee, which has him sidelined for the rest of the year.

sota, are 5-5 and on the edge of playoff chat?

Russell Wilson, he's good now? The experts had buried him. Sean Payton didn't make a terrible mistake taking the big money coaching job in Colorado?

That Denver loss will sting 6-5 Minnesota, which had been flying under the fresh wing of midseason quarterback replacement Joshua Dobbs, a peripatetic rocket scientist (literally, notes the Journal's Andrew Beaton) wearing yet another NFL uniform. Are these stitched-together Vikings for realists? Or are they about to Viking it up?

What am I supposed to do with the Dallas Cowboys, now 7-3, but still a strange feast of bizarre decision-making in close games? Or the San Francisco 49ers, looking back on track at 7-3? What do we do with the Jacksonville Jaguars, also 7-3, but thumped 34-3 by the Niners last week? Or the 8-3 Baltimore Ravens, the Hottest Team in the NFL (Two Weeks Ago edition), but dinged up by injuries and still trying to figure out how they lost to Cleveland? (Or lost to Indianapolis, and Pittsburgh.)

What are we supposed to do with the Buffalo Bills, at 6-5 simultaneously the most disappointing and scariest club in football? Or the 6-4 Steelers and Seahawks, the 5-6 Raiders, and the 5-5 Colts.

I'm loving what's happening at 6-4 Houston, with rookie C.J. Stroud. It's tough to pick against Miami, now 7-3 and looking as stylish as head coach Mike McDaniels' 1970s detective sunglasses.

This is what I am not worrying about: The Jets, the Giants (sorry Tommy D.), Washington, the Bengals without Joe Burrow (sad), the Chargers (oof), the Rams, and the Packers, despite Jordan Love getting momentum in Wisconsin. Somebody has to win that NFC South, but I'm not worried about them, either. Seriously: consider pickleball.

(There is other, more desolate stuff, like 1-9 Carolina, 2-9 Arizona, the 3-8 Bears, and 3-7 Tennessee.)

As for New England's 2-8 spiral with the Grumpy Lobster Boat Captain, this saga threatened to overwhelm the season, but now the expectation is a decision about His Royal Grumpiness's future won't happen until season's end. Team motto Do Your Job is now from Maybe Do Your Job a Little Less, So We Can Get a High Draft Pick.

For the record: I believe that when you lead a franchise to six Super Bowl titles, you should be allowed to motor out of the harbor gracefully, on your own terms. Every benefit of the doubt must be given. This is Bill Belichick. The respect has been earned.

But this is also the NFL in 2023, and I don't know anything anymore. Do you?

That puts the Giants in an awkward position. While they can't get out of the money they owe him next season, they're also on track for a top draft pick to potentially replace Jones and make him an extraordinarily expensive back up.

Another rookie, Tommy DeVito, led the Giants to a win over the Washington Commanders on Sunday, and he's part of a phenomenon all the injuries have helped create. Ten rookies have started games at quarterback this season—the most in any non-strike year since at least 1950. One of those is the Indianapolis Colts' Anthony Richardson, who had a promising start to his career before he became another name on the long list of injured passers.

No team has pivoted quite as seamlessly as the Minnesota Vikings, who were unlucky to lose Kirk Cousins but lucky that he went down before the trade deadline. That allowed them to swing a deal with the Arizona Cardinals for Joshua Dobbs, who led the team to back-to-back wins in his first two games before Minnesota lost a 21-20 nail-biter to the Broncos on Sunday night.

The Jets didn't bring in a replacement after Rodgers went down and instead handed the offense back to Zach Wilson, the quarterback who has disappointed since they took him with the No. 2 overall pick in 2021. They may regret not having made a move for Dobbs or someone similar. Their offensive futility continued on Sunday when they lost 32-6 to the Buffalo Bills.

Rodgers hopes to defy expectations and return this season. But now, with the Jets losing three straight games, the question is just as much about whether there's a point to an attempted comeback: The Jets may fully sink out of playoff contention by the time he's ready.

OPINION

Gaza Is Gen Z's First Real War



GLOBAL VIEW
By Walter Russell Mead

Is Israel's war with Hamas a war crime? At a recent (entirely civil and non-confrontational) event at Bard College, a student suggested that this was the case. After all, there have been at least 11,000 casualties since the Oct. 7 terror attack that launched the war, and the majority dead have been civilians. Thousands were children. How, the Bard students and many of their peers around the country and the world ask, could all this not be a war crime? And even if Hamas's initial attack was itself a war crime and not a "legitimate act of resistance against an occupying power," isn't the larger loss of civilian life in Israel's subsequent attacks just as bad?

I could have turned the session into a debate about the underlying merits of the Palestinian and Israeli causes or a technical discussion of the laws of war. Instead, being a professor, I turned the discussion to the history of war. One night in March 1945, U.S. planes dropped incendiary bombs over Tokyo killing tens of thousands of Japanese civilians. Incomplete estimates from Japan put the total death toll from allied bombing raids as high as 500,000. All told, there were

an estimated 38 million civilian deaths in World War II, more than twice the approximately 15 million deaths of soldiers in combat.

As for the treatment of enemy civilians, at the 1945 Potsdam Conference the U.S. agreed to the forcible removal of about 12 million Germans, again largely civilian and many children and elderly, from lands their ancestors had inhabited for centuries. Many of the expulsions took place in winter amid terrible scenes of hunger and deprivation, all while mass rapes of German women slowly subsided across the Soviet zone of Germany.

Lawyers and legislators can debate whether these actions constitute war crimes, but as Cicero put it more than two thousand years ago, "inter arma enim silent leges." Roughly, that translates as the "laws go silent when armies clash." Or as William Tecumseh Sherman put it more succinctly, "War is hell."

One reason the news from Gaza has so massively affected the younger generation is that they have grown up considering peace to be normal and natural. The war in Gaza hasn't merely introduced young Americans to the Israeli-Palestinian conflict. It also has shown them the face of war.

After the horrors of World War II, Americans did everything to build a stable and at least relatively peaceful

world order. This order was far from perfect. It tolerated and, in some cases, protected gross economic, social, racial and national injustices. And some of the little wars Americans fought to defend it, as policy makers at the time believed, were as brutal as the world wars of the 20th century.

But the world order prevented the eruption of global conflicts on the scale of the great wars with casualties reckoned by the tens of millions. It also permitted generations of Americans to grow

Many young people grew up believing war was passé and peace was normal.

up in a bubble. For younger generations, war was passé. Foreign policy henceforth would involve promoting equitable development in poor countries, extending the definition of human rights, promoting global public health, fighting climate change and perfecting the body of international law.

War has other ideas. The American-led world order is under attack abroad, even as Americans have increasingly abandoned their commitment to preserving it. The result, inevitably, is a gradual and perhaps sudden return to the

lawlessness and violence that marks a world at war.

Israelis and Palestinians don't live in the post-historical bubble. More than 300,000 Syrian civilians are believed to have been killed during a decade of civil war, and millions more have been driven from their homes. Elsewhere, an estimated 100,000 Armenians fled their homes in terror this year. Roughly six million Sudanese have done so in the current civil war. Industrial-scale slaughters of the innocent, and the flight of millions of refugees are the new normal in their neighborhood. Jihadi bands and Wagner mercenaries are sowing chaos and death across the Sahel. About 370,000 have died in the Yemen war.

Gaza introduced Gen Z to the true horror of war. In the short run, Hamas's propaganda machine is enlisting images of suffering Palestinians to foil Israeli efforts to break its power in Gaza.

The real question, though, for the future of America and the world isn't whether hot-headed college students will march for Hamas. It's whether as they mature, they come to understand how fragile and important peace is and take up the task of defending it. If not, war won't be something they see on cellphones and spout slogans about. It will be the force that shapes and determines their lives.

BOOKSHELF | By Melanie Kirkpatrick

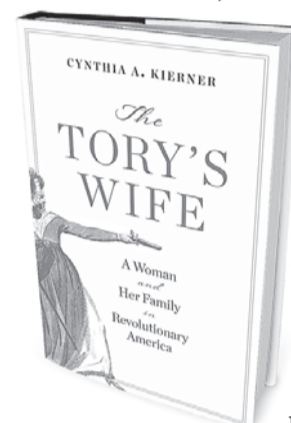
Divided Loyalties

The Tory's Wife

By Cynthia A. Kierner
Virginia, 224 pages, \$29.95

The Revolutionary War liberated Americans from the oppressive colonial rule of the British, but as the postwar era began, it wasn't clear how much women benefited from the hard-won freedoms accorded to men. Wives were still subject to the English common law of coverture, which gave husbands control of their property; women had next-to-no political rights. Had the Revolution changed anything?

Cynthia Kierner, a professor of history at George Mason University, examines this question in "The Tory's Wife." Her short, readable volume recounts the story of Jane Welborn Spurgin, a farm wife and mother of 13, in the backwoods of North Carolina. Other than the fact that she was literate, there was nothing particularly notable about Jane. She didn't move in elite circles, and she certainly wasn't famous. Yet



she publicly claimed her rights as a citizen of the new American republic in a series of petitions to the state legislature. Ms. Kierner's focus on Jane stems from her scholarly interest in how the war drew ordinary women into the political sphere.

Jane was a Whig, a patriot who supported the American uprising. She courageously put her patriotism into action when, in early 1781, she provided food and shelter to the American commander in the South, Gen. Nathanael Greene, who set up

camp on her family's property in the North Carolina town of Abbotts Creek. If the British attack, Greene told her, grab the kids and run for the basement. When the general sought her advice in finding a trustworthy person to spy on British Gen. Charles Cornwallis, who was camped nearby, she recommended one of her sons for the dangerous job.

Jane's husband, William, did not share his wife's fidelity to the cause of liberty. While Jane was aiding the Continental Army, he was fighting against his fellow North Carolinians as an officer in the Tory militia, for which he had recruited like-minded Loyalists. Before the war, William was a moderately prosperous landowner and a justice of the peace. As war broke out, he was deemed "an Enemy to his Country" by a local political committee, and he spent much of the war in hiding. He disappeared after the American victory, eventually turning up in Canada with a woman he called his wife. The crown rewarded his loyalty with a generous gift of acreage in what is now Ontario.

Jane was not so fortunate. Back in North Carolina, the postwar state legislature passed a bill confiscating Tory property, thus putting her, the wife of a traitor, in danger of losing her family's home. She refused to move out and set about asserting her ownership rights in three petitions. Referring to herself in the third person, she wrote: "She has always behaved herself as a good Citizen and well attached to the government. She thinks it extremely hard to be deprived of the Common rights of other Citizens." The "other Citizens" were, of course, men.

For most women, Ms. Kierner writes, "the right to petition was the only political right they formally possessed" under the law. It wasn't unusual for women to petition for state support for themselves and their children, couching their requests in humble and ingratiating language. Their husbands were dead or missing, and they wanted the state to take on the role of their protector.

In contrast, Jane's petitions were more direct and less deferential. Ms. Kierner characterizes them as "bold" and distinctive for their "legalism and clarity." Jane even secured the support of 78 neighbors, who co-signed her second petition in 1788. It is noteworthy, the author says, that Jane "framed her own claim to citizenship in terms of the right to own and protect her family's property." That is, she based her case on a traditional understanding of citizenship "as deriving from one's material stake in society."

With her husband deemed a traitor, she tried to claim the few rights that she, and other women, possessed. Did the Revolution change anything?

As "The Tory's Wife" opens, Ms. Kierner warns readers not to expect a conventional biography. Official records yield little information about ordinary women like Jane. The author paints a fuller portrait of William, who had a public role as a justice of the peace and a notorious Tory.

In noting the paucity of sources that document Jane's life, Ms. Kierner observes that much of the material is "necessarily contextual and sometimes speculative." The author turns the lack of factual information to her readers' advantage, providing often fascinating details about life in rural North Carolina—especially about women who struggled to survive the upheavals of war. She cites the grim punishment of a mother for the crime of teaching her children to support the revolution. A son recalled that she was "tied up and whipped by the Tories, her house burned and property destroyed."

The Whig-Tory divide wasn't found only in the Spurgins' marriage. It was prevalent in the wider society, and Ms. Kierner deftly describes North Carolinians' bitter and often violent struggles. She quotes Gen. Greene, who wrote: "The whole Country is in danger of being laid waste by the Whigs and the Tories, who pursue each other with as much relentless Fury as Beasts of Prey." There were times when the divided populace seemed to be fighting a civil war, not a war of independence.

And what of Jane, the book's putative heroine? The North Carolina legislature eventually awarded her a portion of the land she had demanded without acknowledging the legitimacy of her claims. The settlement delivered security for her and her children if not support for her argument on her rights as a citizen. Ms. Kierner concludes that "the Revolution led Jane, like many other Americans, to confront authority and to reimagine her relationship to the polity and the men who ran it."

The post-revolutionary period saw the first serious consideration of women's rights. In the not-so-distant future, American women would begin to push for legal rights, including control of their own property, and for a role in politics. The 1848 Seneca Falls Convention on women's rights was a half-century in the future. Jane Spurgin died in 1803, but she was present in spirit.

Ms. Kirkpatrick, a former deputy editor of the Journal's editorial page, is a senior fellow at the Hudson Institute.

Britain's NHS Left Indi Gregory to Die

By Mark Rienzi

We're here for you. Helping you take control of your health and wellbeing."

That's what the U.K.'s National Health Service promises its patients. Tragically, a growing number of cases show the NHS doing the opposite: taking away control and ensuring its patients die.

The latest example is 8-month-old Indi Gregory, who died on Nov. 13. Indi was born with mitochondrial dis-

ease, a degenerative condition that prevents cells from producing energy. When her parents and the Queen's Medical Centre in Nottingham, England, disagreed over whether she should be kept on life support, the NHS turned to the courts to strip the parents of decision-making authority. The U.K. High Court agreed, overrode the parents' wishes, and ordered life support removed.

That much of the story is tragic but not shocking. The NHS provides socialized medicine. When the government foots the bill for every patient, it may decide to stop what it sees as expensive-but-futile treatments. We can decry the human trade-offs and value judgments attendant to socialized medicine, but they come with the territory.

Yet Indi Gregory's story gets much worse. While the NHS thought continued treatment would be futile, other experts disagreed, including at the Vatican's Bambino Gesù pediatric hospital. As part of its religious mission, Bambino Gesù specializes in treating children with rare diseases. Doctors there offered a treatment plan they thought could help Indi, free of charge. The Italian government even made her a citizen so that she could be airlifted from England. Pope Francis weighed in, urging that Indi be transferred to Bambino Gesù, as did Italy's Prime Minister Giorgia Meloni.

Had Indi been in the U.S., her treating hospital would have transferred her to the willing hospital, even if its physicians thought treatment would be futile. For the U.K., the offer of free treatment by willing doctors ought to have been the end of the story. The government didn't have to pay another penny. The grateful parents simply wanted the freedom to take their daughter to the experts in Rome.

Instead, the NHS went back to the same court and judge to insist it remained in Indi's best interests to die in the U.K. The court again agreed and overrode the parents' desire to take Indi to see the experts in Rome. The judge ordered that they could take her only to one place: to the hospice to die.

The parents had no choice but to comply. Lest they try anything else to save their daughter, the par-



Indi Gregory

ents were sent to hospice with a security escort and police presence.

Deprived of treatment and with her parents forbidden to help her, Indi died within two days, under the watchful eye of the government that said all along it was looking out for her best interests.

Indi's story is only the latest in a tragic series of cases in which the NHS and the courts decide to withdraw what they consider futile treatment and forbid treatment by experts with contrary opinions. Alfie Evans, Charlie Gard and Alta Fixler (whose father was American) all died this way. So too did Sudiksha Thirumalesh, a 19-year-old who was deemed by a court to be mentally incompetent because she wanted to pursue experimental treatment in Canada. Barred from leaving, she died in the NHS's "care" in September.

The NHS doesn't always

succeed in ending the lives of those it has ticketed for death. Sometimes a patient escapes the system and successfully receives treatment elsewhere.

That's the story of Tafida Raqeeb, a young girl who suffered brain damage caused by ruptured blood vessels. In 2019 the NHS wanted to remove Tafida, then 5, from life support and leave her to die. Yet Tafida's parents beat the system in court and took their daughter to Italy where she is still alive and receiving treatment. Tafida has had four years and counting with her parents, living a life the NHS had written off.

We'll never know whether the NHS was wrong about Indi Gregory too. But we will risk more tragedies until we insist on respecting the basic human rights of all people, including those who are sick or disabled. That doesn't mean hospitals should be forced to treat patients against their will. But we can't allow them to deprive patients of the right to try, stopping them from seeking potentially life-saving care from experts elsewhere.

Courts should interfere with parental rights only in egregious cases. In such circumstances, they should be seeking to protect the child's life, not sending the police to make sure it ends.

Mr. Rienzi is a law professor at the Catholic University of America and president of the Becket Fund for Religious Liberty.

William McGurn is away.

My School Doesn't Tolerate Anti-Semitism

By James S. Robbins

America's elite colleges and universities are soft on terrorism and strong on anti-Semitism. Who knew?

Weak-kneed responses by academic leaders to Hamas's attack on Israel, coupled with soaring anti-Semitism on campuses, have created a crisis. Jewish students are increasingly unsafe, while major donors are alarmed by the harmful ideas promoted by the institutions they support.

The implicit bargain in higher education is that donors support schools as an expression of good citizenship, and it's up to the schools to produce good citizens. This bargain has frayed in recent years as schools aren't holding up their end of the deal.

Many campuses have become echo chambers that lack intellectual diversity and promote a climate of intolerance. To avoid being "canceled" by progres-

sives, moderate and conservative students and faculty practice self-censorship rather than discuss controversial ideas.

The response to the Oct. 7 attack exposed how schools have become incubators of radicalism. Protests, vandalism, intimidation, and as-

And we are happy to work with donors who are tired of giving to colleges that do.

saults—mostly targeting Jewish students—are the fruits of the critical-theory educational model that stigmatizes Jews as "white oppressors" and Israelis as "Zionist colonizers." In response to anti-Semitism, university administrators have either done nothing or issued anodyne statements deploring violence in general terms, until

some were badgered into reacting more explicitly.

Many donors saw the jarring response from the academy as a betrayal of their generosity and deeply held values. Now they are voting with their feet and wallets: withdrawing or canceling donations, resigning from boards, and encouraging alumni to boycott their alma maters.

Some schools set a higher standard. As the academic dean at the Institute of World Politics—a private graduate school in Washington—I have had no problem calling out Hamas for its genocidal actions. My academic and professional background is in counterterrorism, and I served for a decade in the Defense Department's professional military education programs. Other scholar-practitioners at IWP have analyzed or operated against adversaries in Russia, Iran, Latin America, East Asia and elsewhere. We bring our real-world experience to the classroom, and we en-

courage intellectual inquiry, debate, and diversity.

Donors frustrated with schools in thrall to progressivism but who still want to support education should shop around for a better fit. IWP is one of many smaller, private schools where uncensored debate, critical thinking, and respect for Western civilization still thrive. Schools with values-based undergraduate programs such as High Point University, Belmont Abbey College, Grove City College, Elon University, Hillsdale College and Liberty University don't tolerate the outrageous behavior we have seen at establishment schools.

Donors who reject Western civilization and would like to see Israel erased, by contrast, can always give to the Ivy League.

Mr. Robbins is dean of academics at the Institute of World Politics.

OPINION

REVIEW & OUTLOOK

LETTERS TO THE EDITOR

Ineffective Altruists vs. Sam Altman

Corporate power struggles aren't rare, and most companies survive them. But the OpenAI board's sudden ouster of CEO Sam Altman last week looks increasingly like a misguided kamikaze run. It's hard to see who benefits from the melodrama besides opponents of innovation.

News of Mr. Altman's removal late Friday shocked Silicon Valley. Mr. Altman helped launch OpenAI in 2015 with the mission of responsibly developing artificial intelligence to benefit humanity. He has since become the technology's public face, with media appearances and testimony to Congress.

The reasons for Mr. Altman's defenestration are murky. The board without elaboration said he hadn't been consistently candid in his communications, and the company's chief operating officer in a memo to employees cited a "breakdown in communications." But recent reports suggest the coup was the result of a dispute over the future of AI.

OpenAI was initially organized as a nonprofit with donations from Silicon Valley leaders. But to rapidly advance its large-language-model capabilities, it needed to raise more money. The result was an unorthodox governance structure in which a nonprofit with an altruistic mission and board of directors controls a for-profit subsidiary whose profits are capped.

This halfway house let OpenAI raise billions of dollars in private capital from the likes of Sequoia Capital, Andreessen Horowitz and Microsoft while preserving its public-spirited goals. A for-profit can also use stock options to recruit talent.

Mr. Altman collaborated with Microsoft to raise some \$13 billion in capital and run its programs on the tech titan's servers. Microsoft obtained a reported 49% stake in OpenAI and can provide its cloud-computing customers access to OpenAI's advanced models—a large reason Microsoft's market valuation has soared above \$2.8 trillion this year.

By almost any measure, Mr. Altman was a successful CEO. Two million developers, including more than 92% of Fortune 500 companies, use OpenAI, and ChatGPT boasts more than 100 million weekly active users. But use of its large-language models is growing so fast that it is struggling to find the computing power to keep up.

At the same time some OpenAI board members fret about OpenAI's growth. They worry that its rapidly advancing capabilities could undermine safety and the company's altruistic mission. Two board members have ties to the so-called effective altruism movement, which fears that AI could present an existential threat to humanity.

Some board members resisted Mr. Altman's push to raise capital to expand OpenAI's capabilities. Mr. Altman reportedly wanted to democratize ChatGPT by letting users create their own chatbots to perform specialized tasks. The board's high-minded altruists worry this could cause AI to grow out of control.

But raising more capital is essential to managing the technology's risks. Safety and growth aren't incompatible, though AI skeptics treat them as such. All of this is important context for Mr. Altman's sacking.

Investors say they might have to write down their stakes, which could make it harder for OpenAI to raise more capital. The board's apparent failure to consult investors before removing Mr. Altman doesn't build confidence in its oversight. The corporate good-governance crowd hails "independent" boards, but OpenAI shows this isn't always a virtue.

Microsoft has offered Mr. Altman a job, though this could be a negotiating tactic to get the board to bring him back. More than 700 of OpenAI's 770 employees have threatened to quit unless the board resigns and reinstates Mr. Altman, which underscores how much goodwill he had at the company. What board seeks to destroy its own company?

OpenAI's board of directors may have blown up the company.

The Potemkin 2024 Debate Commission

The Commission on Presidential Debates on Monday announced three dates and locations for the 2024 TV extravaganzas it's planning, but a real question is whether anybody will show up. The public can benefit from well run debates that put White House hopefuls on the same stage, but the commission's position looks precarious.

Every four years since 1988, this nonprofit group of political grandees has sponsored presidential debates. Yet Republicans have complained lately that its events start too late in the year to catch early voters and that the moderators frame their topics and questions using Democratic assumptions. Last year the Republican National Committee voted to cease cooperating with the commission.

This doesn't mean no debates, only that the candidates' campaigns would negotiate the details, which is what happens in state races and presidential primaries. If a candidate chooses not to play ball, voters can decide if it matters. The GOP has held three primary debates for 2024 so far, and Donald Trump skipped them all. On Monday he urged the party to cancel the rest, save the money, and "use it against the Democrats to STOP THE STEAL!"

President Biden spent his 81st birthday Monday pardoning two turkeys at the White House,

during a ceremony at which he referred to Minnesota's "1,000 lakes" (it's really 10,000) and then garbled a joke about Taylor Swift by calling her "Britney." Nine months from now his campaign could use Mr. Trump's refusal to debate other Republicans as an excuse not to put Mr. Biden on live TV for 90 minutes after sundown.

Given how unpopular these two graybeards are, the other 2024 variable is third parties. The commission's polling threshold to participate in its debates next year is 15% in an average of national surveys to be determined later. Recent polls have Robert F. Kennedy Jr. at 18%. Would Mr. Biden or Mr. Trump agree to debate him? What if Joe Manchin joins a No Labels ticket and qualifies?

At their best, presidential debates can crystallize important truths. In 1984, when Ronald Reagan pledged not to exploit Walter Mondale's youth and inexperience, the 73-year-old President proved he still had his wits. At their worst, the debates can be inane shoutfests.

The unstable elements of 2024 pose a risk that the candidates might never meet on stage. But they also offer a chance to break the commission's Beltway formula to try something new: How about a debate with no moderators, only a time clock until each contender's microphone shuts off?

Argentina Gambles on Milei

When there's no real alternative, there's no problem, as the saying goes. And that may be the logic of Argentina voters on Sunday who rejected the catastrophe of Peronist rule in favor of impulsive and charismatic outsider Javier Milei, who promised what for Argentina is the radical change of free-market economics.

Mr. Milei, a Congressman and self-described libertarian, won the Presidency in a rout with 56% of the vote to 44%. He defeated Sergio Massa, the incumbent economic minister and architect of the policies that have produced runaway inflation, declining living standards, a government shedding foreign reserves, and the worst economic crisis in decades.

"Today we begin the reconstruction of Argentina," Mr. Milei said Sunday night. "If we do not move quickly with the structural changes that Argentina needs, we are heading towards the worst crisis in our history."

He's not exaggerating. Inflation is running at 143%, the peso has lost some 90% of its value against the U.S. dollar on the black market, and the middle class is increasingly impoverished. This is the result of industrial policy, export taxes, capital controls, rigid labor markets, uncontrolled government spending and the political abuse of the central bank to monetize the spending. This policy mix fails wherever it's tried, but Argentines keep giving it another chance until it blows up again.

Mr. Massa tried to buy the election with handouts to voters, as the Peronists always do. He and the international media stigmatized Mr. Milei as a crazy radical who is akin to Donald Trump. The leftist leaders in the rest of Latin America—Mexico, Brazil and Colombia—hinted that Mr. Milei meant a return to fascism.

The comparisons to Mr. Trump are espe-

cially inapt. Mr. Milei is a free trader and believes in sound money. Mr. Trump is a protectionist who wants higher border taxes and

demanded low interest rates as President. None of the attacks worked. Mr. Milei had finished second to Mr. Massa in the first round election, but he was able to consolidate the

vote from the center-right candidate, who had finished third, to win the runoff.

Mr. Milei will now get his chance to clean up the mess, and this will be harder than winning the election. The Peronists control the largest faction in the Argentine Congress and will oppose him every step along the way. Some of his proposals lack detail. He says he'll dollarize the economy, which could work if there are enough dollar reserves to manage the transition. He wants to abolish the central bank, but it isn't clear what would replace it.

The President-elect is a political movement unto himself, and he will have to form a coalition with conservative and centrist politicians in Congress. Known for his often caustic and insulting rhetoric, Mr. Milei electrified Argentina's desperate younger generation with his candor. But now he will have to show he can moderate his persona or risk wasting his great opportunity.

The stakes are high for Argentina's 46 million people, who have suffered from more misrule over a century than most other nations. But they are also high for those who believe in Mr. Milei's campaign theme of "freedom" and economic liberty.

If he fails in his reform efforts through incompetence or vainglory, he could discredit market policies in Argentina, which could put the Peronists back in power. Mr. Milei has given his country new promise of better days, and let's hope he is capable enough to deliver.

The Threat of a Post-Hamas Palestinian State

Secretary of State Antony Blinken's list of "Nos" and "Musts" for postwar Gaza and Israel ranges from impractical to much worse ("The Day After Israeli Victory," Review & Outlook, Nov. 13).

Especially misguided is his push for the creation of a Palestinian state. The Palestinians were already given a territory, the Gaza Strip, on which they could have built a state. Instead they turned it into a cesspit of terrorism, murder and oppression. The corrupt Palestinian Authority also sponsors terrorism and anti-Semitism. Based on this track record, the Palestinians do not deserve a state of their own.

It is premature for the U.S. to be delineating the form of Gaza's postwar government, and for Mr. Blinken to suggest empowering the same people who caused the war in the first place. When America fought al Qaeda and ISIS, I don't recall the U.S. putting forward such requirements for postwar governments.

Israel should be supported in its war against the savage barbarism of Hamas; an Israeli victory is imperative

in the ongoing war of civilization against Islamist extremism. That victory must include the unconditional surrender of Hamas, the release of all hostages, war-crimes trials for its leaders and anyone who participated in the atrocities, and a strong Israeli role in ensuring that Gaza can never again become a haven for murderous terrorists.

DANIEL H. TRIGOBOFF
Williamsville, N.Y.

Former Israeli Prime Minister Golda Meir explained the relationship between Arabs and Jews more briefly and eloquently than anyone has since.

She said: "If the Arabs put down their weapons today, there would be no more violence. If the Jews put down their weapons today, there would be no more Israel."

SHELDON P. SIEGEL
Allentown, Pa.

I have my own Nos: No Biden. No Blinken. No appeasement of Iran. No return for Hamas.

GERALD KATZ
Edwards, Colo.

Brave Dustoff Crews Saved Many in Vietnam

I agree with Mike Kerrigan that "Dustoff" Crews Deserve Recognition" (op-ed, Nov. 9). The following radio transmissions during a Viet Cong attack on May 18, 1969 in Xuan Loc, Vietnam, say it all: "This is Dustoff responding to your request, over." Battalion operations officer: "Dustoff be advised that we are under intense mortar and small-arms fire at this time. How long can you stay on station? over." "About 30 minutes. Do you have seriously wounded? over." "That's affirmative, over." Dustoff: "I think I see a way to get in. Prepare litter patients. Clear the decks. I'm coming in."

We had 14 killed and 40 wounded that night, requiring frequent hazardous visits by Dustoff. I was the officer on that call and was wounded later in the battle. Dustoff got me out and may have saved my leg, according to the doctor who performed the first surgery.

The Congressional Gold Medal is well deserved by the Dustoff crews. Many veterans felt the gentle touch and genuine concern of those who res-

cued them. I recommend immediate congressional action honoring these heroes.

LT. GEN. HARRY E. SOYSTER (RET.)
Alexandria, Va.

In 1967 I was a second lieutenant in Vietnam leading an assault against the enemy. I was shot in front of a bunker. The bullet passed through my right thigh and destroyed a femoral artery. We couldn't stop the bleeding. My captain radioed a helicopter pilot and told him it was a hot landing zone. I heard the pilot say, "Just tell me where to set it down."

When I woke up after surgery, the surgeon who operated on me said, "You shouldn't have survived the wound" due to massive blood loss. He said the speed in which the helicopter was able to get me from the battlefield to surgery most likely saved my life. With respect to heroes, those of us who survived combat would say the real heroes are the ones who never made it back.

NEIL P. TESSLER
Fullerton, Calif.

Flood of Submissions Bogs Down Peer Review

"What's Wrong with Peer Review?" (Review, Nov. 11) makes the point that journals have a hard time checking the validity of data and methods because they can be overwhelmed with submissions. Another phenomenon that few know about is the "desk reject," whereby journal editors or their staff reject a paper without sending it to peer review. In some fields, desk rejection accounts

for the majority of papers refused publication in top-ranked journals. This is also a phenomenon that has arisen due to the overwhelming number of submissions, which is the result of the need of researchers to advance their careers by publishing journal articles.

It is perhaps more damaging to science than the flawed peer-review process because it means that the review process can't meet the gold standard of being double-blind or anonymous to a reviewer. It risks having editors or staff pick papers to send to referees based on their personal knowledge and assessment of authors, their credentials, and the subject matter. This can result in a bias toward the status quo.

EM. PROF. LUCIA DUNN
Ohio State University
Columbus, Ohio

Who's Afraid to Debate RFK

Gerard Baker perpetuates the trope that Robert F. Kennedy Jr. is "peddling conspiracy theories and quackery," thus disqualifying his presidential bid ("Can Trump and Biden End the Two-Party System?" Free Expression, Nov. 14). Many of us are still waiting for anyone—a journalist, scientist, political pundit or presidential candidate—to accept RFK's challenge to debate, so that voters can make up their own minds. Remember that the first guy to recommend hand washing between surgeries was considered a quack in his day, and look at how that turned out.

ELIZABETH WICKMAN
Plano, Texas

In Defense of the McCarthy Eight, at Least for a While

The editorial board may be too quick to dismiss the "hollow claims" by those who deposed Speaker Kevin McCarthy ("Meet the New Speaker, Same as the . . ." Nov. 15). While no one filed a motion to vacate over Speaker Mike Johnson's continuing resolution, those who voted to remove Mr. McCarthy had their reasons.

Florida Rep. Matt Gaetz in his floor speech highlighted the inability to offer amendments to bills. Under Mr. McCarthy, more legislation was considered under closed rule, which bars amendments, than during previous Congresses. Give Mr. Johnson more time. The McCarthy Eight may ultimately prove themselves hypocrites, but it is too soon to tell.

PROF. MICHAEL E. BEDNARCZUK
Austin Peay State University
Clarksville, Tenn.

Politics as a Business Asset

Stuart Altschuler's Nov. 13 letter is correct that corporations exist "to sell products and make a profit," but he misses the mark when he argues that corporations should not engage in "political activity."

Corporate leaders may well decide that adopting a particular image, or supporting a particular candidate or political position, would attract more customers than it alienates, thereby increasing profits. While the author urges that "corporate neutrality is the best business policy," that judgment properly rests with the executives who run a company, not outsiders and certainly not politicians.

KENNETH A. MARGOLIS
Chappaqua, N.Y.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I picked myself up.
I dusted myself off. Now what?"

OPINION

Inside Ohio State's DEI Factory

By John Sailer

A search committee seeking a professor of military history rejected one applicant “because his diversity statement demonstrated poor understanding of diversity and inclusion issues.” Another committee noted that an applicant to be a professor of nuclear physics could understand the plight of minorities in academia because he was married to “an immigrant in Texas in the Age of Trump.”

These examples come from more than 800 pages of “Diversity Faculty Recruitment Reports” at Ohio State University, which I obtained through a public-records request. Until recently, Ohio State’s College of Arts and Sciences required every search committee to create such a report, which had to be approved by various deans before finalists for a job were interviewed.

I obtained 800 pages of ‘Diversity Faculty Recruitment Reports.’ Here’s what I found.

In February 2021, then-president Kristina Johnson launched an initiative to hire 50 professors whose work focused on race and “social equity” and “100 underrepresented and BIPOC hires” (the acronym stands for black, indigenous and people of color). These reports show what higher education’s outsize investment in “diversity, equity and inclusion” looks like in practice. Ohio State sacrificed both academic freedom and scholarly excellence for the sake of a narrowly construed vision of diversity.

Each report required search committees to describe how their proposed finalists “would amplify the values of diversity, inclusion and innovation.” Some reports were dutiful and bureaucratic; others exuded enthusiasm. All were revealing. Racial diversity was touted as a tool to

achieve viewpoint diversity, but viewpoint conformity often served as a tool to meet de facto quotas. One report said a candidate would “greatly enhance our engagement with queer theory outside of the western epistemological approaches which would greatly support us both in recruitment and retention of diverse graduate populations.”

Other committees valued political ideology as an end in itself. In a search for a professor of chemistry, the report notes that one candidate’s “experiences as a queer, neurodivergent Latinx woman in STEM has provided her with an important motivation to expand DEI efforts beyond simply representation and instead toward social justice.” Another report concedes that “as a white male” one proposed finalist “does not outwardly present as a diversity candidate.” In his defense it notes that he recently published on critical race theory.

The reports required search committees to describe how they evaluated diversity statements. The committees cited those statements as the sole reason for eliminating certain candidates in fields as varied as aquatic ecology, lighting design, military history and music theory.

In some cases, committees evaluated diversity statements through an explicitly ideological lens. A committee searching for a professor of freshwater biology selected finalists “based upon a weighted rubric of 67% research and 33% contribution to DEI.” To evaluate the statements, the committee used a rubric that cited several “problematic approaches” for which a candidate can receive a zero score—for example, if he “solely acknowledges that racism, classism, etc. are issues in the academy.” It isn’t enough for a freshwa-



ter biologist to believe that racism pervades higher education.

The rubric meanwhile gave a high score for DEI-focused activism outside academia, for demonstrating an understanding of “intersectionality” and for embracing a vision of “anti-racism” that “requires consistent and long-term growth, reflection, and engagement (and that they are prepared to put in this work).”

Viewpoint discrimination aside, these assessments reveal an issue of basic priority. For a search in astrophysics, “the DEI statement was given equal weight to the research and teaching statements.” This would strike many as a poor metric for judging astrophysicists.

A university spokesman told me that Ohio State updated its hiring practices in April “to exclude the use of required diversity statements except when mandated by federal law, research contracts, and licensure or accreditation.”

Candidates’ demographics also

appeared to play a significant role in faculty hiring decisions. Throughout the reports, references to the race and sex of candidates abound. Many of the job candidates’ diversity statements emphasized their own “intersectional” identities—“a person of color and a member of the LGBTQ+ community,” “a first generation, fat, queer scholar of color” and so on.

This emphasis seemed to have an effect—sometimes a remarkable one—on the demographic makeup of the proposed finalists. For a role in communications, four of the 46 applicants were Hispanic—and so were two of the three finalists. One role in medical anthropology had 67 applicants. The four finalists include the only two black applicants and the only Native American applicant. “All four scholars on our shortlist are women of color,” the committee said.

In his email, the Ohio State spokesman said that colleges in the system now use “standardized eval-

uation tools” to assess job candidates without regard to demographic categories like race, sex and ethnicity. That’s what the law requires, even more clearly since the Supreme Court decided *Students for Fair Admissions v. Harvard* in June.

Some search committees at Ohio State were surprisingly forthcoming about their use of racial preferences. “Diversity and inclusion featured prominently in all our discussions,” wrote one committee in the division of geodetic sciences. “Naturally, most weight was given to candidates from URM”—underrepresented minority—“backgrounds, but we also gave considerable weight to the diversity statements that were provided by all candidates.”

One faculty position advertised last year was in French and franco-

phone studies with a “specialization in Black France.” It yielded a more racially diverse but still majority-white applicant pool. The committee was adamant about its intended outcome. “In our deliberations to select finalists, the importance of bringing Black scholars to campus was deemed to be essential. We thus chose three Black candidates.”

It added: “We decided as a committee that diversity was just as important as perceived merit as we made our selections.”

Ohio’s flagship university invested heavily in DEI with an emphasis on faculty hiring. The result of that investment should be a wake-up call for Ohio’s citizens and lawmakers and a cautionary tale for anyone who cares about higher education.

Mr. Sailer is director of university policy at the National Association of Scholars.

Javier Milei, Rishi Sunak and the War for the Soul of the West



FREE
EXPRESSION
By Gerard Baker

The populist revolution against self-perpetuating progressive elites is a global phenomenon. On Sunday Argentina elected Javier Milei president. A Donald Trump-style outsider, Mr. Milei ran against a political class that has presided over a chaotic economy. His victory is a reminder of the continuing potency of the anti-establishment message.

But elsewhere the establishment has been fighting back. There’s no better example than Britain, the country where populism achieved its first big breakthrough with the vote to leave the European Union in 2016, just months before the election of Mr. Trump.

The culture war in the U.K. between the people and the establishment—in which the people for a heady moment seized control over matters such as immigration, national sovereignty, criminal justice, and the right not to be ashamed of their race or cultural heritage—has ended, and the establishment appears to have won.

Last week the formal surrender papers were signed.

First, Rishi Sunak, who became prime minister a year ago after a pantomime performance by his ruling conservative party had ousted two predecessors in quick succession, brought back into government David Cameron, the man who inadvertently fired the first shot in the populist revolt by calling the referendum on Brexit seven years ago.

If you wanted a caricature of the English establishment there’s none better than Mr. Cameron—sorry, Lord Cameron of Chipping Norton, as he now is, resplendent in a title that might have come straight from the pages of Trollope. Mr. Cameron isn’t just the man who insisted the British people endorse membership in the European Union on pain of economic punishment. Among other dubious efforts, he also boasted of having inaugurated a “Golden Age” of relations between the U.K. and the People’s Republic of China, and has reportedly spent the years since he left office engaged in lucrative promotional exercises on behalf of Beijing. He is now foreign secretary, charged with leading Britain’s international relations.

Mr. Cameron’s return was occasioned by another signal of the es-

tablishment victory: Mr. Sunak’s dismissal of Suella Braverman as home secretary. Ms. Braverman, a barrister, is a much less polished figure than his lordship. After the political chaos of last year she has emerged

The bitter struggle between populist voices and political elites is a global phenomenon.

as the most outspoken advocate of a tough approach to immigration, crime and the woke mind virus in the public sector.

Staunchly pro-Israel, she has in recent weeks been extremely critical of the British police force’s tolerance of often violent pro-Hamas demonstrators on the streets. In Britain, you can be arrested for silently saying a prayer within a few hundred yards of an abortion clinic, but you can call for the destruction of Israel and praise Adolf Hitler and the boys in blue will ensure you’re allowed to scream your bile unimpeded.

Ms. Braverman didn’t like any of this. She also didn’t like that, despite

the government’s promises, illegal immigration to the U.K. is out of control, with hundreds of thousands of refugees arriving in flotillas of small boats to claim political asylum, although vast numbers of them have no such legal claim. In an attempt to deter the flood of “asylum seekers,” the government signed an agreement with the government of Rwanda, by which some migrants would be sent to live and work in the central African country instead.

Last week five judges on England’s supreme court unanimously struck down that agreement. Mr. Sunak pledged to present legislation that would enable the plan to be reinstated but it quickly became clear that the members of the unelected House of Lords would reject any bill that tried to resettle asylum seekers this way.

Civil servants, the police, the supreme court, unelected peers of the realm, and other establishment figures can all claim credit for defeating the people’s expressed will. But the largest share of the credit should probably go to the media, and especially, the British Broadcasting Corporation, the gargantuan media organization that dominates the distribution of news, information and

culture in the U.K. The BBC is financed by a compulsory levy on everyone with a television, whether or not they watch the broadcaster’s drippingly woke, green output.

The scale of the BBC’s harmful influence has been vividly on display in the past few weeks in the way it has helped shape opinion on the war in the Middle East. Its coverage is relentlessly anti-Israel, with endless credulous coverage of almost every claim made by Hamas and false reporting about the actions of the Israel Defense Forces.

Mr. Sunak is a decent man trying to do the right thing in impossible political circumstances. The chaos of the past few years combined with high inflation will almost certainly send Conservatives to a historic defeat next year at the hands of a Labour Party that has done a fair job of reassuring voters it can be trusted again.

And yet, the war isn’t really over. Though the elites may have silenced the voices of revolt for a while, popular anger about immigration, crime, national sovereignty and the takeover of cultural institutions by the neo-Marxist left won’t go away.

The war for the soul of the West will rage on.

Five Tax Loopholes for Mike Johnson’s Chopping Block

By George Callas

With Mike Johnson as House speaker, Republicans can return to legislating. Chief among their priorities should be tackling the nation’s dire fiscal state. That includes trillion-dollar annual deficits, entitlement programs hurtling toward insolvency, and \$33 trillion in national debt. Mr. Johnson says he intends to create a bipartisan commission to study the latter issue.

Republicans will soon face a fa-

miliar quandary: Reducing deficits will require cutting popular social programs, raising taxes, or both. The party has pledged it will do neither. It isn’t, however, without options.

All but four members of the GOP caucus found an elegant solution this spring: The Limit, Save, Grow Act would have cut trillions of dollars in spending and raised \$515 billion in revenue by ending many of the Inflation Reduction Act’s green-energy subsidies. By raising revenue in a way that advanced conservative principles, the party showed it could

promote deficit reduction and smart politics.

The bill failed to pass the Senate but remains a useful guide. House and Senate Republicans should seize every opportunity to end tax loopholes incongruent with conservative values and direct the revenue to repairing our nation’s balance sheet. Here are five such fixes.

First, eliminate the deduction for state and local taxes. Republicans capped that write-off, known as SALT, at \$10,000 in the 2017 Tax Cuts and Jobs Act. The party should go further by reducing the cap to zero. This would broaden the tax base while removing Washington’s subsidy for profligate spenders in Albany and Sacramento. If the party were feeling ambitious, it might consider the next logical step and repeal the SALT deduction for businesses, too. Together both measures could bring in several hundred billion dollars over the next decade.

Second, revisit tax exemptions for large nonprofits that generate billions in revenue. Many entities, such as universities and hospitals, get generous tax breaks as nonprofits while copying their for-profit rivals in lavishing high salaries and generous perks on their executives. Rather than revoke exemptions entirely, Congress could advance modest reform such as excise taxes on certain

activities or tightening the unrelated business-income rules. These would not only level the playing field in the nonprofit sphere but also claw back dollars that are being needlessly left on the table.

Third, close the so-called round-tripping loophole that allows multinational corporations to route profits from sales to the U.S. through foreign tax havens. The GOP’s 2017 tax reform reduced the incentive to shift profits offshore, but U.S. multi-

The GOP should advance these free-market reforms and test the left’s commitment to ‘fairness.’

national firms can still benefit from doing so. Ending this distortionary practice would make the code more neutral between Main Street businesses and global corporations.

Fourth, treat corporate stock buybacks more like dividends for tax purposes. Buybacks function as a tax-advantaged form of distributing earnings, disproportionately benefiting founders, many of whom form the Democratic Party’s donor class, and foreign shareholders. Democrats imposed a modest buyback tax in

the Inflation Reduction Act, so they shouldn’t object to tightening this loophole.

Fifth, repeal the preferential qualified small-business-stock exemption for venture-capital profits. Signed by Bill Clinton and expanded by Barack Obama, this carve-out now provides a 0% capital-gains rate for venture-capital investments in tech startups. That primarily enriches wealthy liberal enclaves like Silicon Valley and Boston that would likely receive the capital anyway, while leaving most Main Street businesses ineligible.

These proposals are consistent with free-market governance that benefits everyday Americans. As a political matter, advancing them would force Democrats either to join Republicans or to expose themselves as advocates for “fairness” only when their hobbyhorses aren’t at stake. The GOP would either earn a principled victory in fighting for smaller government or a policy victory by actually making government smaller.

That is, in other words, a win-win.

Mr. Callas is executive vice president of public finance at Arnold Ventures LLC. He was formerly senior tax counsel for then-Speaker Paul Ryan and chief tax counsel for the House Ways and Means Committee.

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WORLD NEWS

More Than 200 Convicted in Mafia Trial

Italian verdicts are unlikely to wipe out wealthy 'Ndrangheta crime syndicate

By ERIC SYLVERS

More than 200 people accused of being part of, or collaborating with, Italy's most powerful and richest crime syndicate, the 'Ndrangheta, were convicted in the country's largest mafia trial in decades on Monday.

Former law-enforcement officials, politicians and businessmen were found guilty of offenses related to organized crime, including drug smuggling, money laundering and extortion, after a trial that lasted nearly three years.

The verdicts mark a turning point in the pursuit by Italian authorities of the 'Ndrangheta, which—though lower-profile than the Sicilian mafia—has built itself into one of the world's most formidable drug-



Judges stood during the reading of the verdicts in a Calabria courtroom on Monday.

trafficking syndicates. The group controls over 80% of Europe's cocaine trade and its interests extend to the Americas, Africa and Australia, said prosecutors, who estimate its annual revenue to be \$55 billion. Italian prosecutors have jailed important members of

the Sicilian mafia since the 1990s, but have until recently had little success infiltrating the 'Ndrangheta, which is largely made up of decentralized families with deep loyalties and no obvious leading clan. Ahead of the trial, prosecutors said the deliberate target-

ing of the group's leadership was crucial to hampering operations. Prosecutors also sought to expose how the group has penetrated politics and business.

Still, with an estimated membership of more than 20,000 people, elimination of

the criminal network remains an elusive goal.

In a separate operation this year, police in Italy, Germany and Belgium arrested around 200 people linked to the 'Ndrangheta, following an investigation that spanned 10 countries. Investigators on that case said they confiscated 23 tons of cocaine with an estimated retail value of around 2.5 billion euros, equivalent to \$2.7 billion.

In the court case that ended Monday, more than 320 people stood trial in a specially built fortified bunker-style courtroom in Calabria, the southern Italian region where the 'Ndrangheta is based. The three presiding judges stayed in a safe house under police protection while they deliberated their verdicts over the past month. Sentences ranged from 10 months to 30 years and can be appealed.

The trial included thousands of hours of testimony and more than 50 former mafiosi who testified for the prosecution.

In one of the most high-profile convictions, the judges handed an 11-year prison sentence for mafia collusion to Giancarlo Pittelli, a lawyer and member of the Forza Italia political party founded by Silvio Berlusconi, the flamboyant former prime minister who died this year. Prosecutors had sought a 17-year sentence, describing Pittelli as one of the key links between the 'Ndrangheta and politics. Pittelli and his lawyers couldn't be reached for comment.

Domenico Bonavota, who received a maximum 30-year prison sentence, told the court during the trial that he was "disgusted by the 'Ndrangheta" and not a member. "I'm not part of any organized-crime group," he said. Prosecutors accused him of having reached a level within the organization known as "gospel." Bonavota said in court that the only gospel he knew he had studied as a child during catechism. He couldn't be reached for comment.

Argentine Leader Wants the Dollar To Replace Peso

By RYAN DUBÉ AND SANTIAGO PÉREZ

BUENOS AIRES—The self-styled anarcho-capitalist who won Argentina's presidency on Sunday plans to ditch his nation's peso and adopt the U.S. dollar as the national currency.

President-elect Javier Milei's top campaign proposal was aimed at eradicating rampant inflation that has for decades ravaged Latin America's third-biggest economy by removing the battered national currency from circulation and stripping the central bank of its power to print money. Uncontrolled money-printing to cover public expenditures, economists say, has fueled 143% inflation, one of the world's highest.

"Closing the central bank is a moral obligation," Milei said late Sunday.

But getting support from Argentina's congress and implementing his so-called dollarization plan could be rife with challenges. Other countries that have dollarized are far smaller, like El Salvador. With Argentina broke, economists say the country doesn't have the funds to carry out as ambitious a proposal as dollarization. In recent years, the country has lost access to global debt markets.

"To begin with, you need access to capital markets to convert the entire monetary base into dollars, and you don't have them," said Alejandro Werner, an economist who served as head of the Western Hemisphere department of the International Monetary Fund.

After his victory on Sunday, Milei vowed to overhaul Argentina's bloated government, cut spending, open the country's economy to global mar-

kets and sell state-run companies such as oil firm YPF. He was cheered by an ecstatic crowd of supporters chanting: "They should go!" in reference to the populist Peronist movement that has ruled Argentina for most of the past two decades.

Some Argentine assets rallied in New York. Shares in YPF jumped 40% in anticipation of Milei's ambitious privatization plans. Grupo Financiero Galicia was up 17%.

Milei, a 53-year-old libertarian economist and political outsider who pledged during his campaign to lay waste to a political establishment he called corrupt, says his country's currency "isn't even worth excrement." He told his fellow Argentines that it is crazy to save in pesos.

A major hurdle for Milei's



Javier Milei aims to tame 143% inflation—one of the world's highest—by removing the battered national currency from circulation.

plan is a divided congress in which no political faction holds a majority. The left-leaning Peronist movement that will rule Argentina until Milei's Dec. 10 inauguration, as well as the center-right Together for Change coalition founded by former President Mauricio Macri, each hold less than half of the seats in the

senate and lower house.

In his victory speech, Milei thanked the center-right coalition for helping secure his win, but he didn't mention dollarization. It remains unclear how independents and moderates, who make up the remaining seats of the legislature, will respond to Milei's agenda. The courts are another

challenge. In September, Supreme Court magistrate Horacio Rosatti told Spanish newspaper El País that replacing the peso with a foreign currency would be unconstitutional and violate national sovereignty.

In a report on Sunday, Goldman Sachs economists said, "As with everything in

economics, there is no free lunch, and adopting, preserving and benefiting from dollarization could be challenging."

If Argentina adopts the dollar, it would join a handful of other, smaller nations in the region that use the greenback, including Ecuador, El Salvador and Panama.

Dollarization works best for countries that are well-integrated into the global economy, some analysts say, a potential challenge for Argentina.

Without its own currency, Argentina would lack monetary tools to cushion external shocks, economists say.

Argentina would need to borrow some \$30 billion to dollarize its economy, some analysts say. That amount could be less if the peso undergoes an even bigger devaluation. However, that would raise the risks of hyperinflation, economists say.

"Argentina is like a patient in critical condition, and perhaps you apply a treatment that you wouldn't do on a healthy patient, but there's nothing else to do," said Sergi Lanau, director of emerging-markets strategy at Oxford Economics, a U.K.-based research firm. "It's an imperfect measure."

Economic Turmoil Is Getting Worse

Argentina has long been trapped in cycles of deep economic contractions spurred by policies that force governments to routinely spend more than they collect through taxes and other income, economists say.

Successive Argentine governments have resorted to printing money after exhausting other funding options such as borrowing billions of dollars from abroad. The highly indebted country now finds itself cut off from global-financial markets.

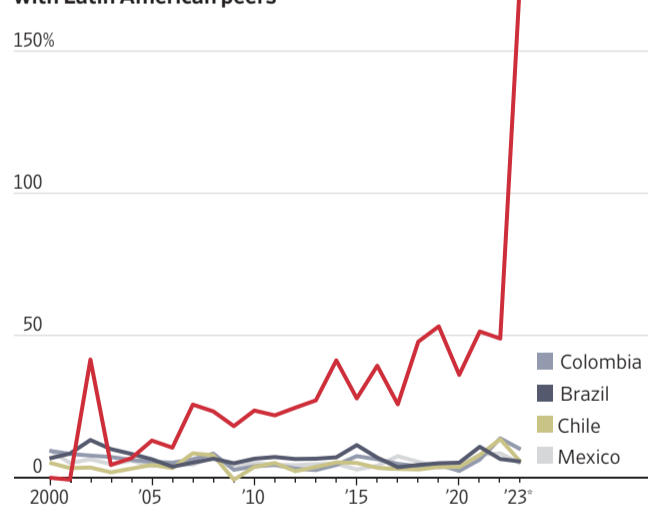
The country has re-

ceived more than 20 financial-aid programs from the International Monetary Fund since the late 1950s. It now owes the fund more than \$40 billion, making it the IMF's largest debtor. Argentina has defaulted on sovereign debt nine times.

Argentina has nearly the same gross domestic product per capita, or total income divided by its population, it had 15 years ago. Argentina is the only large economy in Latin America that hasn't brought inflation under control.

—Santiago Pérez and Roque Ruiz

Argentina's consumer-price index compared with Latin American peers



WORLD WATCH



LIGHT FANTASTIC: Journalists visit the 'Bubble Universe' exhibit of teamLab, an international art collective, during a media preview in Tokyo on Monday.

YEMEN

Israeli-Linked Ship Seized in Red Sea

Iran-backed Yemeni rebels said they hijacked an Israeli-linked cargo ship with 25 crew members in the Red Sea over the weekend, heightening tensions in the Gaza conflict.

The Houthis, a rebel group that controls Yemen's north, said on X, formerly Twitter, that they are taking the ship to the Yemeni coast and would continue to target vessels tied to Israel because of its attacks on Gaza. Middle East brokers identified the ship as the Bahamas-flagged tanker carrier Galaxy Leader, which is owned by Ray Car Carriers. The firm is registered in the Isle of Man, and one of its owners is Israeli businessman Abraham "Rami" Ungar.

The Galaxy Leader was seized off Al Hodeida, Yemen, while sailing for India. Israeli Prime Minister Benjamin Netanyahu's office said no Israelis were among the 25 crew members.

—Costas Paris

UKRAINE

U.S. Defense Chief Visits Zelensky

U.S. Defense Secretary Lloyd Austin made an unannounced visit to Kyiv on Monday in a high-profile push to keep money and weapons flowing to Ukraine even as U.S. and international resources are stretched by the new global risks raised by the Israel-Hamas conflict.

Austin, who traveled to Kyiv by train from Poland, met with President Volodymyr Zelensky, Defense Minister Rustem Umerov and chief of staff Gen. Valerii Zaluzhnyi.

Austin announced the Pentagon would be sending an additional \$100 million in weapons to Ukraine from U.S. existing stockpiles, including artillery and munitions for air defense systems.

Austin said Ukraine's effort to defeat Russian forces "matters to the rest of the world" and that U.S. support would continue "for the long haul." Zelensky said Austin's visit was "a very important signal" for Ukraine.

—Associated Press

PAKISTAN

More Than 400,000 Afghans Go Home

More than 400,000 Afghans returned to their home country following the continuing crackdown on illegal foreigners in the country, Pakistani authorities said Monday.

Zabiullah Mujahid, chief spokesperson of the Taliban-led government in Afghanistan, confirmed the number and said the majority have been using the border crossings of Torkham and Spin Boldak to return home.

An estimated 1.7 million Afghans had been living in Pakistan when authorities announced its nationwide crackdown, saying that anyone without proper documents had to leave the country by Oct. 31 or else get arrested. However, Pakistani officials said the other 1.4 million Afghans registered as refugees need not worry as only people without proper documentation were sought after. Since Nov. 1, police in Pakistan have been going door-to-door to check migrants' documentation.

—Associated Press

Wells Fargo Faces Votes to Unionize

Workers at two branches plan elections, a rare event in banking

By BEN EISEN

Workers at two Wells Fargo bank branches launched unionization efforts Monday, shifting the attention of the resurgent labor movement to an industry that has historically been cool to it.

Employees in Albuquerque, N.M., and Bethel, Alaska, notified the National Labor Relations Board that they plan to hold elections to decide whether to unionize. If they get enough votes, they could start the first union at a major

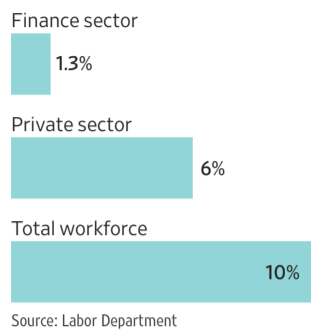
bank in decades.

Labor organizers and unions have scored big victories lately. Amazon warehouse workers voted to unionize in New York last year, and hundreds of Starbucks shops have done the same. The United Auto Workers recently negotiated generous new contracts for employees at the large American carmakers.

"We would be foolish to not strike while the iron is hot," said Jessie McCool, a Wells Fargo compliance officer in St. Louis who has been a leader in the organizing effort.

Saul Van Beurden, chief executive of Wells Fargo's consumer-banking division, said the company has "a deep commitment to invest in and support everyone who works at

U.S. union membership rates in 2022



Wells Fargo."

He said the bank has significantly improved compensation and benefits for lower-paid employees in recent years, with some changes made because of workers' feedback.

The organizing employees and the union they are working with, the Communications Workers of America, face an uphill battle. Just 1.3% of finance-sector employees were part of a union last year, versus 6% of private-sector workers and 10% of the entire U.S. workforce, according to the Bureau of Labor Statistics.

Unionizing is only the first step in getting management to agree to workplace changes. Employees at some companies where workers recently voted to unionize, including Starbucks, have since struggled to reach collective-bargaining agreements with management. Still, unionizing even a tiny slice of a megabank would be a major milestone. The largest bank to do so in recent memory

was Beneficial State Bank in Oakland, Calif., in 2020. It is the 530th largest U.S. bank by assets. San Francisco-based Wells Fargo is the fourth largest, with almost \$2 trillion in assets and over 200,000 employees.

The Albuquerque branch has eight nonmanagement workers, the union said. One of them, Sabrina Perez, said that she and her colleagues started talking seriously about unionization because they were being spread too thin.

Wells Fargo didn't replace employees who departed the branch since the beginning of the pandemic, said Perez, who is a banker for affluent customers and has been at the company for about a decade. Bankers have had to put in

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Amazon Offers Free Training To Recruit AI Talent

By SEBASTIAN HERRERA AND CHIP CUTTER

Amazon.com is launching a program to train millions of workers in artificial-intelligence skills as the tech giant seeks to gain an edge in a pitched battle for talent with Microsoft, Alphabet's Google and other companies.

Named "AI Ready," Amazon's new program plans to train at least two million people by 2025 on basic to advanced AI skills, including how to make use of the generative AI technology that has powered language-based models such as ChatGPT. Amazon aims to fill a gap in AI talent as it has sought to generate interest in its generative AI efforts after falling behind rivals. In launching its program, Amazon is adding to an effort by the corporate world to get workers in various fields trained in AI.

The training is centered on eight online courses that focus on generative AI and target people with both tech and tech-adjacent roles. The classes are catered to both beginners and those with more experience, and the company said it can form the foundation for professionals to prepare for the jobs and skills now needed in the industry. The courses are free to access online through an Amazon learning website and are available for non-Amazon employees.

AI "is going to be the most transformative technology we encounter in our generation, but it won't reach its full potential unless we really have the workforce ready to embrace it and turbocharge it in a big way," said Swami Sivasubramanian, Amazon's vice president of data and AI.

Amazon's effort reflects a growing awareness across the corporate sphere that AI could change how millions of people do their jobs. Companies in industries ranging from real estate to retail are experimenting in using generative AI to help in everything from crafting marketing materials to writing software code and answering human-resources questions.

Corporate retraining initiatives still generally remain in the early stages, as executives

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Stock Market Zeroes In on Nvidia Earnings

By CHARLEY GRANT AND GUNJAN BANERJI

There is a lot riding on the earnings report this week from Nvidia, both for the company's ebullient investors and the entire stock market.

Nvidia has been the big winner of the bet that artificial intelligence is the next big thing in tech, the AI trade that surged in popularity after OpenAI's release of its ChatGPT app. The chip maker's shares have more than tripled this year, contributing to a sizable portion of the S&P 500's 18% rise.

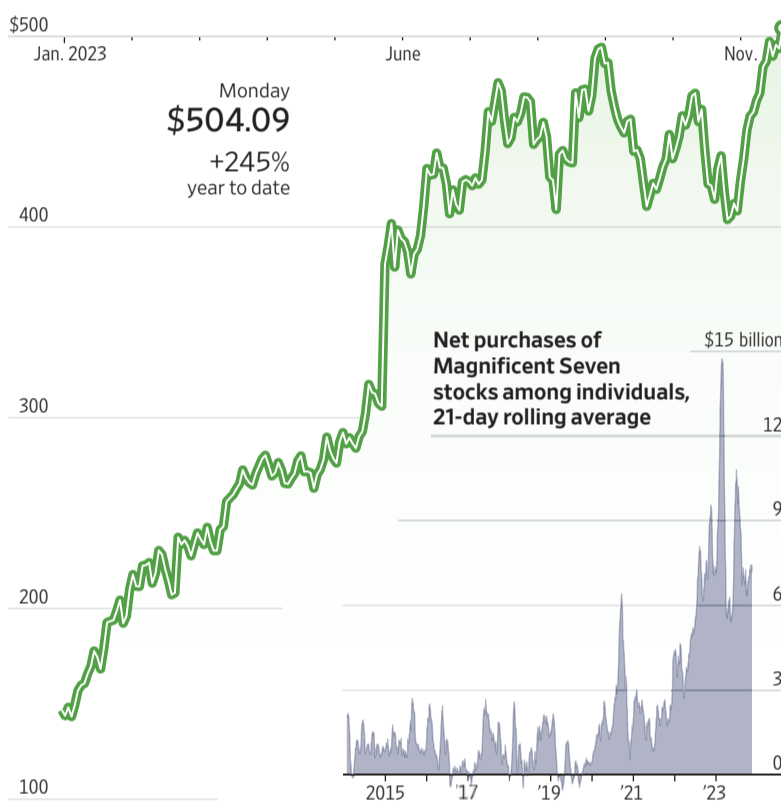
Tech giants and startups alike are spending billions of dollars to develop AI technology. Because Nvidia's semiconductors are central to such efforts, it has been the main beneficiary. Chief Executive Officer Jensen Huang has said the technological advancements are ushering in "a new computing era," and the company's market cap has pushed above \$1 trillion.

Hopes that AI could eventually help a range of other companies boost revenue and slash costs have given investors a reason to own stocks—especially the biggest tech companies—in 2023.

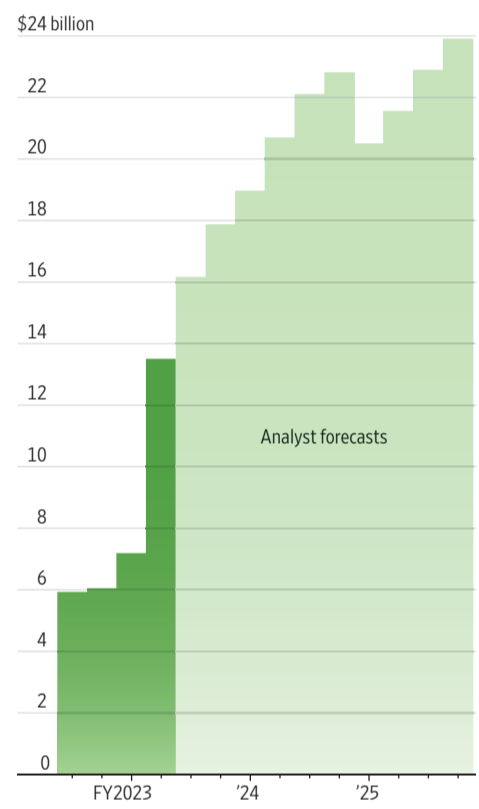
Expectations for Nvidia's earnings report due Tuesday are sky high. Wall Street analysts are forecasting sales of \$16.2 billion and a profit of \$7.2 billion. A year ago, the company booked sales of \$5.9 billion and earned \$680 million.

One reason for the optimism: Nvidia beat forecasts in 19 of the past 20 quarters, according to FactSet. It is why the company's outlook will be

Nvidia share price, year to date



Nvidia's quarterly revenue*



key in how the stock reacts. Wall Street is projecting revenue to reach \$22 billion a quarter by the fall of 2025.

"Investors want to see some reassurance that this really high growth rate is a multi-year secular theme," said Matthew Stith, a portfolio manager at Bartlett Wealth Management.

The stock cooled in recent months after the U.S. restricted China's ability to buy advanced semiconductors. But shares regained momentum in November after fresh economic data fueled investor

hopes that the Federal Reserve's campaign of rate increases will bring down inflation without triggering a recession, a scenario known as a soft landing. Its shares recently clinched a 10-session streak of gains, the longest stretch since 2016 and are back near their high.

Individual investors have also ramped up purchases of stocks known as the Magnificent Seven—Nvidia, Alphabet, Amazon.com, Apple, Meta Platforms, Microsoft and

Tesla, according to figures from Vanda Research.

Others are positioning through options. Some of the most popular trades on Monday were calls pegged to Nvidia shares jumping to \$510 or \$550, according to Cboe Global Markets data. Shares closed Monday at \$504.09. Calls give the right to buy shares at a specific price, later in time.

"It can be an explosive move," said Julien Stoff, founder of hedge-fund firm Stoff Capital. He is among

those using options to bet on bigger gains ahead for Nvidia.

In May, Nvidia shares jumped 24% after it reported earnings that easily topped expectations and gave a sales forecast that was far higher than Wall Street had figured. The results kicked the stock-market frenzy around artificial intelligence into high gear.

Nvidia has accounted for

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◆ Venture investors dive into generative AI..... B2

Citigroup Sets Fresh Layoffs in Restructuring

By DAVID BENOIT

Citigroup began making an extensive round of layoffs and organizational changes, part of Chief Executive Jane Fraser's efforts to streamline the sprawling global bank.

The bank on Monday didn't say how many employees were due to be cut on Monday and it hasn't set a target for total layoffs. Instead, Fraser in September ordered her subordinates to remake their

teams for a new alignment she devised and then cut positions that no longer were needed.

At the time, Citigroup cut some senior positions and said the executives two rungs below Fraser would need to restructure their own reports by the end of November, setting the stage for cascading rounds of layoffs and

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Devices Aim to Make Brain Work Better

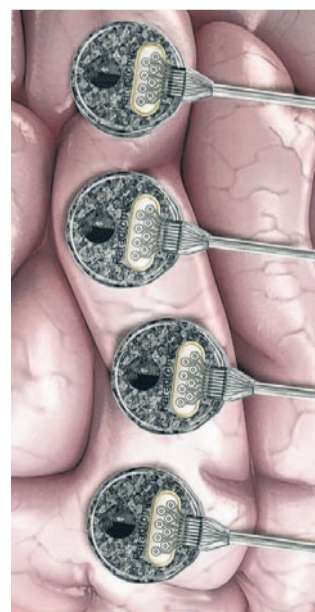
By DANIELA HERNANDEZ

You're feeling distracted and can't get your work done despite a looming deadline. Your headphones detect your lack of focus and suggest you take a break, while a headband beams signals to adjust your brain activity and energize you. Crisis averted.

That is the future technologists imagine, and a variety of devices are being developed to enhance the brain's performance in day-to-day life.

The market for devices that can read brain activity and translate it into actions is in its infancy. But, thanks in part to Elon Musk's startup Neuralink, which is developing implantable brain-computer interfaces—or BCIs—that can record data from thousands of brain cells, investment and interest in these devices have soared in recent years.

New wearable devices build on implantable BCIs used for medical interventions, as well as decades of research into how the brain works. Efforts on implantable devices focus on restoring function. Applications aimed at allowing communication and movement have been in development for decades to help paralyzed patients, and researchers have made major leaps with implantable devices in recent years.



Paradromics's Connexus Cortical Modules target neurons just below the surface of the brain



PARADROMICS (2)

Last year, Neuralink showed that a monkey could control a cursor with its mind and type out a message. A Neuralink competitor, Synchron, showed that paralyzed patients implanted with its brain-recording device could use their brain signals to text with an iPhone.

Implants are unlikely to become blockbuster mass-market consumer products anytime soon because of medical-device regulations, high costs and the inherent risks of brain surgery.

Technological constraints also now limit the amount of data that can be collected from the brain. For instance, implanted devices can get hot and damage brain tissue as more data is extracted. Putting too many needlelike sensors into the brain might also cause damage.

But wearable brain-sensing devices—as opposed to implanted—could offer a broader swath of consumers cognitive feedback and other brain enhancements. That is already

happening in labs. Several recent studies using simulators have shown that wearable BCIs can detect drowsiness and fatigue and give real-time, AI-powered feedback to drivers.

This tech could begin going mainstream as soon as the next year. Among the initial goals: improving concentration and helping consumers boost productivity and reduce burnout by alerting users when their attention wanders. Boston-based neurotech startup

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BUSINESS & FINANCE

Firms Break Venture Rules for AI

By YULIYA CHERNOVA

Venture investors are diving into generative AI—and breaking some of their own rules in the process.

Generative AI startups globally raised \$17.8 billion as of Sept. 19, up from the \$3.9 billion invested in all of 2022, according to data provider Dealroom.co. Venture firms are raising massive funds with the intention of investing more capital in artificial intelligence.

Many investors believe the technology will one day unlock a vast new market. While that may be true, one shouldn't lose sight of some of the issues in the business model.

Venture capital frowns upon the use of equity dollars for capital expenditures. Yet many startups spend expensive equity capital on computing infrastructure. Another rule of thumb startups in this sector break—avoiding overreliance on fast-moving incumbents. Many generative AI startups do just that, with OpenAI as the main supplier of large language models, such as GPT-4, used by many other companies.

The news that OpenAI ousted its chief executive, Sam Altman, rattled investors and founders in the sector, re-emphasizing the risk of dependence on a mega tech provider.

Venture capital in generative AI now often goes to securing scarce computing infrastructure. “In the last nine months, a lot of venture capital went to lock in supply contracts,” said Max Gazor, general partner at CRV. His firm has made several bets in early-stage startups in generative AI.

“Right now it's a land grab. Everyone is operating to stay in business and we'll figure out the economics later,” said Gazor. Venture firms report-

edly signed deals with compute providers on behalf of their startups, for example.

Rounds for generative AI startups tend to be much larger than for other software companies due to the capital intensity of the businesses. The median Series A round for generative AI startups was \$16 million, more than double the size of all Series A rounds in 2023, according to Dealroom.

Longer term, generative AI startups will need to figure out where to get continued funding to scale their businesses at a time when many later-stage private investment firms have pulled back from the venture market. Financing risk is significant, Gazor said.

Startups would need for chip supply to increase and become more reliable, some-

report from Menlo Ventures. While enterprises are eager to explore the technology, they are concerned about the uncertain return on investment, the report found.

Not only is the market still limited, incumbents dominate, due to their “scale, distribution, brand, and engineering resources,” the Menlo report said. That's the other big challenge to the VC model when it comes to generative AI deals.

Many startups in the sector rely on OpenAI. “It is the engine that's powering most of the production-grade AI today,” Gazor said.

OpenAI's board said on Friday that Altman will leave the company. “The board no longer has confidence in his ability to continue leading OpenAI,” the company said. Over the weekend, investors and many employees pushed to bring Altman back, while Altman considered launching another company in the AI space.

Gazor said the events only reinforce the problem in the generative-AI market. “We need many strong platforms to emerge to create a resilient ecosystem. Otherwise events like this create major turbulence and disruption,” Gazor said.

Reliance on another company has generally been viewed as a bad idea in venture, since startups were burned when mega companies they depended on changed terms and prices, or released new features or competitive products.

“What's so scary about the AI space is that the incumbent is actually a net new player who has this breakneck speed

of product development and evolution of talent that you don't typically see,” said Caitlin Bolnick Rellas, general partner at CRV, speaking about OpenAI. “A lot more chess has to be done in terms of evaluating AI opportunities because the incumbent is so nimble,” she added.

OpenAI has more than two million developers using its platform, said a representative for the company, who responded to questions prior to Altman's departure.

“It's important to us to equip developers with the tools they need to build great products and businesses,” the representative said, in response to a question about the company potentially becoming a threat to its own customers. The representative didn't respond to a question about the impact of Altman's departure on OpenAI's ability to deliver.

Moves by larger players in generative AI caused issues for startups so far. The release of GitHub Copilot, developed in collaboration with OpenAI, squeezed competitive AI productivity tools for developers, while Bloomberg's launch of BloombergGPT for financial data negatively affected fintechs, Bolnick Rellas said.

“One core question in investing right now is to identify and invest in areas that are not likely to get run over by the foundation models,” said Sheila Gulati, managing director at venture firm Tola Capital.

There are reasons why large tech companies may limit how much they step on the toes of customers—for one, they need a thriving ecosystem of businesses to make calls to their models. Competition among developers of the large LLMs could also help smaller players.

Generative AI spending by enterprises will total about \$2.5 billion this year.

Amazon Offers Free Training

Continued from page B1

try to make sense of which roles AI will eliminate and which ones will be augmented by the technology. The changes brought by AI are expected to require workers to learn new skills or undergo additional training.

Plenty of workers have the capacity to change and learn new skills, said Jane Oates, a former Labor Department official and now president of WorkingNation, a nonprofit focused on workforce development. A bigger question is what they should learn, given the fast-changing nature of generative AI, and when they should undertake the training.

“It's going to be complicated,” Oates said. “I definitely would not use the word easy.”

Employers as varied as real-estate company Jones Lang LaSalle to tech giant Salesforce have launched AI training programs or initiatives to help employees navigate the change. Many other leaders are beginning to think about how they can equip their employees to work with AI, said Allison Horn, managing director of Accenture's talent-consulting services.

Some of the greatest needs, even at tech companies, aren't highly technical skills but training to help employees learn how to work alongside AI in basic ways, said Spencer Kimball, chief executive of database startup Cockroach Labs.

“Most people right now, this is all new to them,” Kimball said. “And given how quickly things can change, it's not just new employees that come, it's something that is a constant training process for all of our employees.”

Amazon said there appears to be a shortage of AI specialists. A survey by the company and consulting firm Access Partnership of thousands of employees and organizations found that nearly three-fourths of employers surveyed said they can't find the AI talent they need, despite most saying they plan to deploy AI in the next five years.

Sivasubramanian, the Amazon executive, said the company's primary goal is to “democratize” generative AI

education. Sivasubramanian said the reskilling of workers wouldn't only benefit Amazon but also its enterprise customers who seek more AI-educated employees with skills such as prompt engineering, the practice of knowing which commands to give generative AI for useful results.

Sivasubramanian said the new program is a starting point to reskill workers in AI and that Amazon will seek feedback on how to improve the training.

Amazon has previously offered some AI training, but it says its new program is a wide expansion of those efforts, with a focus on generative AI.

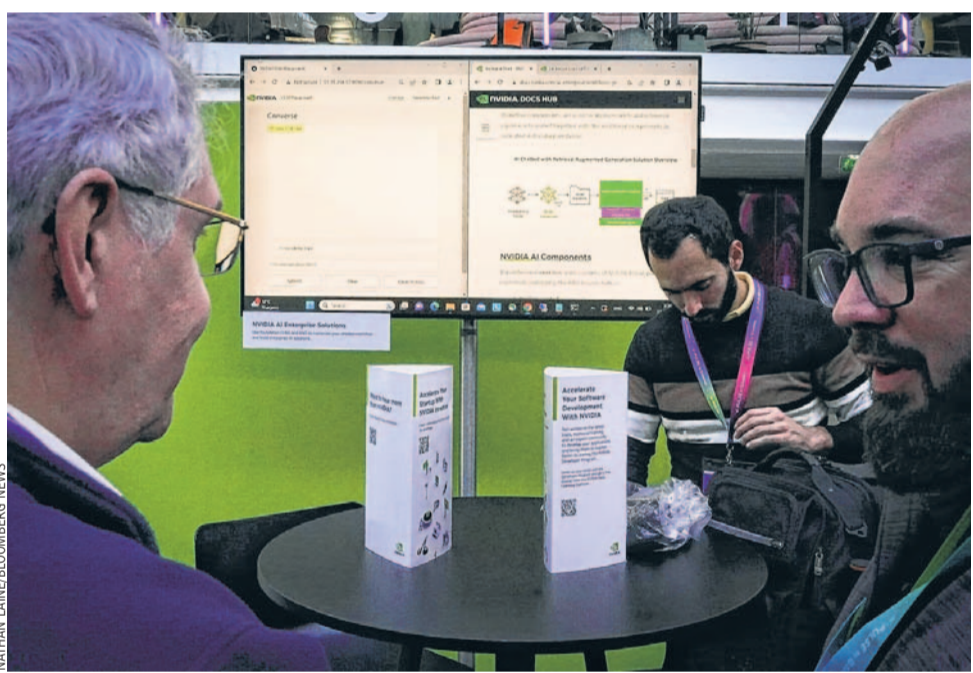
Several of the courses are also about Amazon's own platforms, including for use of Amazon's Bedrock AI platform that helps build generative AI applications. Another one teaches on Amazon's CodeWhisperer, a tool that auto-

matically produces lines of code. Other courses include material related to Amazon business customers and AI partner companies such as Anthropic and Stability AI.

Amazon is also funding scholarships for student AI courses and said it joined with educational nonprofit Code.org to offer an “Hour of Code” for students to learn about generative AI.

As generative AI has become tech's newest obsession, Amazon has been perceived to be behind its rivals. Microsoft and Google made large investments in the field, and the next generation of online chatbots.

Amazon, which has concentrated its AI efforts in its cloud-computing business, Amazon Web Services, was late to join the AI race, though executives have argued that the company has worked on the technology for years.



Nvidia chips are central to AI. The company displays its AI prowess at a conference.

Investors Focus on Nvidia

Continued from page B1

14% of the S&P 500's total return through Wednesday, according to S&P Dow Jones In-

dices. For the third quarter, Nvidia and Amazon.com, which reported results last month, are expected to be the largest contributors to the S&P 500's earnings growth. Without them, the index's earnings would be on track to record a 1.5% gain for the period, rather than a 4.1% gain, according to FactSet data.

Analysts who cover Nvidia express few doubts. Forty-nine of the 52 analysts rate the

stock buy or outperform, and the remainder say hold, according to FactSet. The group has an average price target of \$655.60, up about 30% from its current price.

But the overwhelmingly bullish sentiment is itself cause for concern for some. “In the longer run, a lot has to go right and nothing can go wrong,” said John Goltermann, chief investment officer at Townsend & Associates.

Riverwood Capital Closes On \$1.8 Billion for Tech Deals

By CHRIS CUMMING

Private-equity firm Riverwood Capital, formed 15 years ago by former KKR executives, raised its largest pool of capital to date to invest in high-growth technology companies.

The firm collected \$1.8 billion for its fourth fund, Riverwood Capital Partners IV, and related vehicles, said firm co-founders Francisco Alvarez-Demalde and Jeff Parks. The sum exceeds Riverwood's \$1.5 billion target as well as the firm's previous fundraising effort, a 2019-vintage vehicle that gathered \$1.4 billion.

The firm, based in Menlo Park, Calif., invests globally in midsize, fast-growing tech

businesses, typically committing \$25 million to \$100 million per deal. The firm has offices in Miami, New York City and São Paulo.

Alvarez-Demalde and Parks started Riverwood in 2008 after working together at KKR on

tech buyouts. The firm invests globally, including through a group focused on growth-stage Latin American companies. It managed \$5.8 billion as of Sept. 30.

Riverwood's latest fundrais-

ing took place during a difficult period for private-equity firms seeking capital and a correction in technology-sector valuations, partly because of the rise in interest rates since early last year.

In the 12 months through June, private-equity funds globally raised about \$455 billion and venture-capital funds about \$185 billion, down 17% and 47%, respectively, from the prior 12-month period, according to PitchBook Data. The Nasdaq-100 Technology Sector index, which tracks tech stocks, was about 13% below its late-2021 peak last week after dropping as much as 46% last year.

While investor sentiment is quite different from several years ago, Riverwood always pursued a disciplined approach to investing in the sector, which helped the firm raise capital despite difficult conditions, Parks said. The firm has taken a measured approach to its growth and capital-raising plans, Alvarez-Demalde said.

“We've preached a very consistent story and executed a very consistent approach in investing in technology growth companies,” Parks said.

Riverwood's fundraising took place during a difficult time for private equity.



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BUSINESS NEWS

Crypto News Site CoinDesk Is Acquired

Firm led by former NYSE president buys media company in an all-cash deal

BY VICKY GE HUANG

A company run by former New York Stock Exchange President Tom Farley said on Monday that it has acquired crypto-focused media company CoinDesk.

Bullish, the crypto exchange run by Farley, bought 100% of CoinDesk in an all-cash deal. Financial terms of the deal weren't disclosed. Digital Currency Group, the parent company of CoinDesk, acquired the media company

in 2016 for \$500,000.

The deal comes a year after CoinDesk broke news about Sam Bankman-Fried's cryptocurrency empire that would ripple through the market and compound the financial troubles of its parent company.

Bullish said that CoinDesk's current management team, led by Chief Executive Officer Kevin Worth, will stay in place and that the publication will operate as an independent subsidiary within Bullish.

CoinDesk will launch an editorial committee to ensure journalistic independence, CoinDesk said. Matt Murray, the former editor in chief of The Wall Street Journal, will serve as chair of its editorial committee, the media com-

pany said.

Launched in November 2021, Bullish is backed by prominent investors including Peter Thiel's Founders Fund and hedge-fund manager Louis Bacon.

Farley, its CEO, was president of the NYSE from 2014 to 2018. Last year, Bullish called off a \$9 billion deal to go public via a merger with a blank-check company.

Bullish is also one of the three suitors vying to buy the remnants of FTX, as the auction for the collapsed crypto exchange reaches its final stages.

The winner could restart the exchange after its planned exit from bankruptcy next year.

CoinDesk has three lines of business, including media, events and indexes. The company generated \$50 million in revenue last year.

"We believe that there is a rebound of the digital assets industry that has already begun," Farley said in an interview. "Some of CoinDesk's products and services are just darn good businesses that we want to own in a crypto bull run."

Bullish is "willing to invest a lot of money" in the growth of CoinDesk, Farley said.

For example, the exchange can help CoinDesk bring its conference business to Asia, where Bullish has deep roots in Hong Kong and Singapore, he said.

An earlier deal to purchase CoinDesk fell through.

A syndicate of investors was in the final stages of sealing an approximate \$125 million deal for CoinDesk, the Journal reported in July. The investor group was led by Matthew Roszak of Tally Capital, a private investment firm focused on crypto and blockchain-based technologies, and Peter Vessenes of Capital6, a venture-capital firm and family office.

In November 2022, CoinDesk published an article with leaked financials from FTX founder Bankman-Fried's hedge fund Alameda Research. The report sparked concerns about the close financial ties between Alameda and FTX,

eventually prompting a rush of customer withdrawals that plunged the crypto exchange into bankruptcy.

As part of the broader fallout in the crypto industry after FTX's collapse, CoinDesk's parent company DCG became ensnared by its own financial troubles. DCG's lending subsidiary Genesis Global Capital filed for bankruptcy after rounds of layoffs. Its institutional-trading platform TradeBlock and wealth-management unit HQ closed shop.

In January, CoinDesk tapped investment bankers at Lazard to help it explore options including a partial or full sale. In August, the company laid off 16% of its internal staff.

Bayer Stock Falls On Study's Halt, Roundup Verdict

BY ADRIÀ CALATAYUD AND JARED S. HOPKINS

Bayer shares fell sharply after the company stopped a late-stage study for a blood-thinning drug early because of lack of efficacy and was told to pay \$1.56 billion in a lawsuit relating to its Roundup weedkiller.

Bayer said late Sunday that it discontinued a Phase 3 clinical trial to test its experimental drug asundexian for prevention of stroke and systemic embolism for patients with the heart-rhythm disorder atrial fibrillation.

Disclosure of the halt came after a Missouri jury found in favor of plaintiffs who blamed Bayer's Roundup weedkiller for causing their cancers. It was the fourth decision in a row to go against the company, which had earlier achieved nine straight victories preceded by other losses over the course of a five-year legal battle.

Shares in the German pharmaceutical-and-agricultural group fell nearly 18% in European trading to 34.01 euros, equivalent to around \$37.22, levels last seen in 2009.

The news also drove a sell-

off of more than 4% of shares in Bristol-Myers Squibb, which is developing a similar drug that is also in late-stage testing. Both drugs are part of a new class of blood thinners, known as Factor XIa inhibitors, that aim to keep people's blood from clotting too much while at the same time reducing the risk of strokes.

Citi analysts estimated the class could generate more than \$55 billion in 2035.

The success of the drugs hinders on whether they can prevent strokes and other cardiac events more effectively than available treatments, including Eliquis from Bristol and partner Pfizer and Xarelto from Bayer and Johnson & Johnson.

Both Bayer and Bristol advanced their compounds into late-stage studies after mixed results in earlier studies.

In January, Bayer projected that asundexian's peak sales could top 5 billion euros, equivalent to around \$5.46 billion, and become its biggest growth driver among its pharmaceuticals.

Bayer's pharmaceutical division is set to face significant challenges after the failure of the trial, given that asundexian was expected to help the business return to growth following the loss of exclusivity for blood-thinning medication Xarelto and eye drug Eylea, Barclays analysts said in a research note.

The decision to stop the trial was based on a recommendation by the independent data-monitoring committee of the study after asundexian showed inferior efficacy relative to apixaban, which was the control arm of the trial, Bayer said.

Bristol is studying its drug, called milvexian and developed with Johnson & Johnson, in several trials, including for the prevention of stroke in pa-



The company stopped a late-stage study for a blood-thinning drug. A Bayer manufacturing facility in Toluca, Mexico.

tients with atrial fibrillation.

Analysts at Citi said they expect Bristol will soon end its own study, because the efficacy bar is too high for the studies. The analysts said they remain optimistic that the drugs may be effective in other indications.

Bristol remains confident in the development of milvexian, and that the drug's development program is different from compounds from other companies, a spokeswoman said.

Milvexian sales could reach \$1.6 billion by 2030 and generate peak sales of about \$5 billion, according to JPMorgan Chase analysts.

Bayer maintains that Roundup and its main ingredient, glyphosate, is safe to use.

The company is weighing options to overhaul its corporate structure. Chief Executive Bill Anderson said earlier this month that a separation of either its crop-science or consumer-health divisions are among the options the company is looking at.

Bayer AG share price



Zoom Raises Outlook After Quarterly Profit, Revenue Surge

BY BEN GLICKMAN

Shares of Zoom Video Communications jumped late Monday after the company boosted its outlook following better than expected third-quarter results.

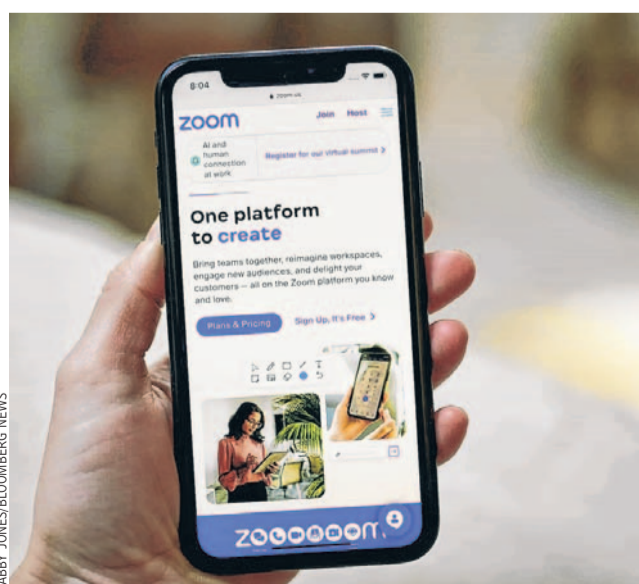
The stock was up 5.2% to \$69.40 in after-hours trading Monday. Shares had been down 2.6% this year through Monday's close.

The San Jose, Calif.-based video teleconferencing company said that higher retention in its online business and usage of its new artificial intelligence offerings helped produce revenue higher than it expected.

Zoom had about 219,700 enterprise customers at the end of the quarter, up 5% from a year ago, while its churn rate fell.

Here's how the company did in the third quarter:

Sales rose 3.2% to \$1.14 billion, topping the \$1.12 billion expected by analysts, according to FactSet.



The videoconferencing company's sales rose 3.2% to \$1.14 billion.

Earnings came to \$141.2 million, or 45 cents a share, compared with \$48.4 million, or 16 cents a share, a year earlier.

Analysts expected per-share profit of 28 cents.

Zoom now expects full year revenue of roughly \$4.5 billion, slightly higher than its prior outlook, and adjusted earnings between \$4.93 and \$4.95 a share, up from \$4.63 and \$4.67 a share.

J.P. Morgan

Congratulations to the government of Brazil on the success of its landmark transaction to issue sustainable sovereign bonds to support green and social projects in the country.

J.P. Morgan was honored to be part of this international deal and thanks the Republic for the partnership in conducting this inaugural ESG transaction.

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China's Xiaomi Swung to a Profit In Third Quarter

By Sherry Qin

Xiaomi swung to a quarterly profit, thanks to improved profit margins in both its smartphone and Internet-of-Things and lifestyle product segments.

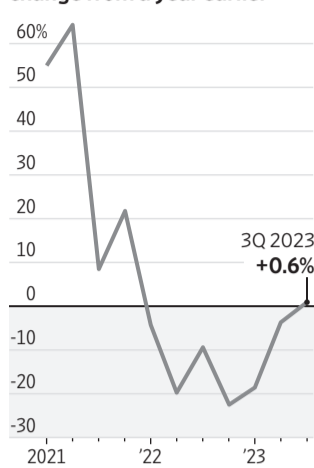
The Chinese maker of smartphones and other electronics products said Monday that net profit for the third quarter was 4.87 billion yuan, equivalent to \$675.3 million, compared with net loss of 1.47 billion yuan in the year-earlier period. The result beat the estimate of 4.52 billion yuan from a poll of analysts by FactSet.

Xiaomi said revenue rose 0.6% to 70.89 billion yuan, growing for the first time after six quarters.

Revenue from its smartphone segment was 41.6 billion yuan, and global smartphone shipments rose 4.0% to 41.8 million units, it said.

Xiaomi's gross profit margin improved to 22.7% in the third quarter from 21.0% in the previous quarter. Its smart-

Xiaomi's quarterly revenue, change from a year earlier



Source: S&P Capital IQ

phone gross profit margin was 16.6%, up 7.7 percentage points, on an improved product mix, lower inventory impairment provisions in overseas markets and a decline in prices of key components. The gross profit margin of its IoT and lifestyle products climbed to 17.8%, up 4.3 percentage points from a year earlier.



The startup parted ways with its second chief accounting officer in less than a month. Its Ocean model on display last year.

EV Manufacturer Fisker Loses Another Chief of Accounting

By Sean McLain

Electric-vehicle startup **Fisker** has lost its second chief accounting officer in less than a month, the latest setback for a company that only recently started selling its first model.

Florus Beuting, who was named chief accounting officer in early November, has left the automaker, the company said in a regulatory filing Monday. His exit follows the departure of his predecessor, who left in late October after roughly three years at the startup to take a job with another company, leading Fisker to unexpectedly delay its earnings release.

Beuting resigned from the company Tuesday, a day after

Fisker reported third-quarter results, according to the filing. The Wall Street Journal earlier reported his departure.

Fisker is one of a number of automotive startups that are trying to rapidly expand their business amid cooling demand for EVs. The company's first vehicle, the Ocean SUV, went on sale earlier this year, but sales have been slow to take off as Fisker struggled with parts delays and difficulties shipping its vehicles to the U.S. from Austria, where they are built.

Beuting, who was previously chief accountant at PLBY Group, the parent owner of the Playboy brand, was hired by Fisker on Nov. 6, shortly before the company unexpectedly pushed back its

quarterly earnings release amid the change in executives.

Fisker shares closed down 3% at \$2.35 after The Wall Street Journal reported Beuting's departure.

Beuting couldn't be reached for comment.

John Finnucan, who had been Fisker's chief accounting officer since around the time the company went public in late 2020, left on Oct. 27 to join a private company focused on refueling solutions. At the time of Finnucan's departure, Fisker said his exit wasn't related to company operations or accounting practices.

Fisker delayed the release of earnings by about a week, saying the gap between Finnucan's departure and Beuting's first day at work meant the com-

pany was unable to finish preparing all of its financial documents and regulatory disclosures for the period.

The company disappointed Wall Street when it reported third-quarter results, recording worse-than-expected net loss and revenue. Fisker's shares tumbled more than 10% in after-hours trading after it released the quarterly results.

The automaker also slashed its production outlook for the year to between 13,000 and 17,000 cars, from its previous target of at least 20,000 units.

In addition to the third-quarter earnings delay, the company pushed back its regulatory filing for the period after discovering "material weaknesses" in its internal control over financial reporting.

NASA Has an Infrastructure Problem. Here's Why It Matters.



Scan this code for a video: The Deep Space Network, NASA's main communications infrastructure, is overburdened. That's raising concerns about the network's ability to support further exploration of the moon.

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Knightscope, Inc. (NASDAQ: KSCP)

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Tech That Translates Your Brain

Continued from page B1
Neurable expects to sell headphones with brain-activity monitors to track focus in early 2024.

Non-implantable BCIs with sensors called fNIRS—short for functional near-infrared spectroscopy—detect changes in blood oxygen levels, which serve as a proxy for brain activity. Labs have used fNIRS devices to measure the impact of music on the brain, as well as to assess professional skills. Companies are working to make the devices easier to wear. Electroencephalogram, or EEG, sensors measure tiny differences in electrical activity at various points on the head. EEG sensors can be used to diagnose conditions like epilepsy or, as in Neurable's case, to track focus. Brain cells, called neurons, produce billions of electrical signals that relay information across the brain and body.

Improved communication, collaboration, and social interactions are among the enhancements that BCI developers are working to realize in coming years by combining high-quality brain-activity recordings with information from activity sensors, food diaries, sleep logs, eye trackers and other data sources.

Santa Barbara, Calif.-based startup Cognixion is beginning to pair brain data with other biometrics in its augmented-reality headset, which has wearable brain-monitoring and head-motion sensors and is compatible with eye-tracking sensors, according to Andreas Forsland, the company's chief executive. The device is now sold for research purposes, but the plan is for patients with motor and speech disorders to use it to communicate with people and their devices. Forsland says the headset can already link up with Amazon's Alexa voice assistant.

"The most important thing is to get the data out," said Matt Angle, CEO of Paradromics, which is developing im-



Above, Neurable expects to sell headphones with brain-activity monitors to track focus in early 2024. Synchron showed that paralyzed patients implanted with its brain-recording device, left, could use their brain signals to text with an iPhone.

plantable BCIs. For consumer wearables, that is a big challenge because they don't have direct access to the brain. They detect brain activity through the skull and hair, like microphones trying to listen through a wall. Companies are working on building better, smaller sensors and more powerful AI algorithms to decode those lower-quality signals. Applications for the next generation of wearable BCIs could include diagnosing mood disorders, as well as providing feedback that enhances mindfulness, deciphering product and musical preferences, and enabling touch-free typing and controlling devices with our minds, experts said.

"It's a huge untapped market," she said. "It's not surprising that people are going after it."

BANKING & FINANCE



Wells Faces Votes on Unionizing

Continued from page B1

double duty as tellers, and customers complained of long wait times, she said. When workers passed their concerns to management, they were told nothing would be done about it, she said.

"The executives don't have to deal with the consequences of their decisions in a direct sense, but we do," Perez said.

Van Beurden said that in the past few years the bank has "reduced the required workdays for those in many of our branches and increased staffing levels in branches where needed to help support our employees and ultimately our customers."

Major banks have long caught the eye of labor organizers, and the CWA has been trying to organize Wells Fargo workers for a few years.

Many of the CWA's members work in the media, and the union's involvement with bank employees might not seem like a natural pairing. The CWA said that the financial industry doesn't fit neatly



into any existing unions and that it takes an interest in how the financialization of the economy has affected industries it represents. (The union that represents some Wall Street Journal employees is affiliated with the CWA.)

A 2016 sales scandal boosted Wells Fargo workers' interest in a union, organizers said. Bank leaders had set lofty sales goals that branch workers couldn't meet, and many resorted to creating fake accounts as a result. That led to widespread firings, and things are still tense.

Nick Weiner, who works for the CWA, said roughly 150 people joined an organizing call last week, and interest has grown over the past month. Recently, employees have been distributing fliers

These four Wells Fargo employees and others in Albuquerque, N.M., are filing to unionize.

to workers in branches and call centers. He hopes that if the first two branches unionize, other locations will follow.

"A missing element of getting Wells Fargo to repair its tattered reputation is to give workers a voice," Weiner said.

Wells Fargo has been preparing for the unionization effort as well. It recently hired a head of labor relations and trained managers on how to respond to union demands.

Some workers told the NLRB this year that the company tried to interfere with their efforts, sometimes by removing fliers or preventing workers from putting them up. The branch in Bethel, Alaska, has five nonmanagement workers. Walker Sexton, who is one of them, said compensation was a big issue. He said that the bank increased hourly pay for some workers but left his pay intact. His pay went from being above the middle of the pack to below.

"It felt like a slap in the face," he said. He started at the bank four years ago making about \$22 an hour in Anchorage, he said. His comparable pay is now about \$25 an hour, though he now gets a cost-of-living adjustment for living in Bethel that bumps the hourly total up to about

\$38, he said.

Bethel is a remote city that is accessible to the rest of the state largely by plane. Sexton said a bag of grapes can cost \$46 at the supermarket and that he pays about \$2,000 a month for rent. He took a second job as a customer-service agent at the airport to make ends meet.

Van Beurden said that over the last four years, the company has increased median base salaries by 26% for those making less than \$50,000. The company has also made healthcare more affordable for lower-paid employees by decreasing the portion they pay of total costs, he said.

"We strongly believe everyone's individual voice should be heard and that direct connection is the best way to continue to make progress in ensuring that our workplace helps our employees thrive," he said.

In addition to filing to hold elections, employees will give the bank a chance to voluntarily recognize the union. If the bank declines, they will proceed with the election. A majority of branch workers need to vote in favor for the union to be recognized.

—Lauren Weber contributed to this article.

Citigroup Sets New Job Cuts

Continued from page B1

changes. The moves this week will cut hundreds of mostly senior-level employees, and future rounds will spread to thousands of lower-level employees. The aim is to finish by the end of the first quarter.

Internally, staff have been speculating the changes would eliminate some 10% of positions, which would likely translate to thousands of jobs.

Citigroup and Fraser are in the midst of a grand simplification of the bank that was once the world's largest, the first financial supermarket with offices and operations in far-flung corners of the globe. Fraser, since taking over in early 2021, has announced plans to shed international consumer businesses. She has put the focus on its core business banking and advising international companies while maintaining a U.S. retail operation and credit-card company.

In her plan unveiled in September, she restructured the top management and eliminated an organizational quirk that Citi had long held on to: An overlapping regional structure that duplicated leadership across the globe with business heads.

Citigroup's head count has so far climbed sharply under Fraser, to 240,000 as of September from 201,000 in early 2021. Much of that has been staff to deal with compliance and regulatory consent orders the bank has to answer by fixing technology and systems. The cost of that project has been nagging Citigroup investors.

Coupled with the international consumer sales—including Indonesia, which closed this weekend—the likely tapering of that hiring and these restructuring cuts, Citigroup's total head count is expected to

fall sharply in the coming years. That could help Citigroup's weak profitability compared with peers, a main target of Fraser's reimagined bank.

Shares fell slightly on Monday while other banks were trading lower. The stock is roughly flat for the year, outperforming the banking industry, but it is trading at depressed valuations and back where it was in the wake of the financial crisis. This week marks the 15th anniversary of the bank's first U.S. bailout in 2008.

Monday, Fraser said in a memo to staff that the new structures would be shared and posted internally for transparency and to help employees understand the new structure. Her messages have acknowledged the tough nature of the work and the drastic change some employees face, but remained steadfast that she believes the moves are necessary.

"The challenges confronting us can sometimes be what dominates the discussion about Citi, but it's important that we don't lose sight of the goals we're working to achieve and the progress underway," she wrote Monday. "No question, these are the proverbial hard yards."



Citigroup's head count has so far climbed sharply under Chief Executive Jane Fraser.

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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High/Low	Settle	Chg	Open Interest	
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
Nov	3,750.0	3,810.0	3,748.5	3.8125	0.0750	1,103
March/24	3,768.0	3,843.5	3,758.0	3.8410	0.0710	85,115
Gold (CMX) -100 Troy oz.; \$ per Troy oz.						
Nov	1978.70	1979.40	1969.70	1977.70	-3.90	187
Dec	1980.90	1987.80	1967.20	1980.30	-4.40	203,170
Jan/24	1997.90	1997.90	1978.10	1990.70	-4.40	2,479
Feb	2001.20	2007.60	1987.30	2000.40	-4.40	214,518
April	2019.30	2027.00	2006.70	2019.60	-4.60	30,202
June	2039.40	2046.30	2026.60	2039.40	-4.70	19,832
Palladium (NYM) -50 Troy oz.; \$ per Troy oz.						
Nov	1089.90			1089.90		33.40
Dec	1060.50	1097.50	1053.00	1092.30		33.40
Platinum (NYM) -50 Troy oz.; \$ per Troy oz.						
Nov	921.50			921.50		26.80
Jan/24	904.80	929.10	899.40	927.40		25.70
Silver (CMX) -5,000 Troy oz.; \$ per Troy oz.						
Nov	23.460	23.820	23.395	23.579	-0.230	43
March/24	24.110	24.215	23.650	23.959	-0.242	64,673
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Dec	75.65	78.22	75.60	77.60	1.71	19,048
Jan/24	75.80	78.46	75.41	77.83	1.79	345,134
Feb	75.81	78.48	75.47	77.90	1.79	128,284
March	75.64	78.35	75.47	77.83	1.75	117,142
June	75.15	77.62	75.02	77.19	1.61	154,514
Dec	73.05	75.39	73.05	74.98	1.40	154,099
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Dec	2.7641	2.8622	2.7469	2.8495	.0770	45,358
Jan/24	2.7029	2.8012	2.6894	2.7877	.0738	75,267
Gasoline-NY RB08 (NYM) -42,000 gal.; \$ per gal.						
Dec	2.1790	2.2569	2.1645	2.2260	.0415	52,873
Jan/24	2.1487	2.2264	2.1344	2.1972	.0428	112,553
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
Dec	2.957	2.959	2.864	2.882	-0.78	74,300
Jan/24	3.115	3.134	3.040	3.050	-0.81	325,360
Feb	3.065	3.086	2.995	3.008	-0.77	86,838
March	2.900	2.925	2.843	2.854	-0.70	179,147
April	2.817	2.833	2.756	2.767	-0.66	95,277
May	2.849	2.883	2.811	2.820	-0.64	79,630

Agriculture Futures						
	Open	Contract High/Low	Settle	Chg	Open Interest	
Corn (CBT) -5,000 bu.; cents per bu.						
Dec	467.00	470.25	464.50	469.50	2.50	368,084
March/24	485.50	488.25	482.50	487.50	2.25	555,964
Oats (CBT) -5,000 bu.; cents per bu.						
Dec	346.50	348.50	337.25	347.25	2.25	1,947
March/24	363.75	365.00	355.00	363.25	2.25	2,562
Soybeans (CBT) -5,000 bu.; cents per bu.						
Jan	1339.25	1368.00	1327.00	1367.25	27.00	279,927
March	1353.00	1383.75	1343.75	1383.25	26.75	173,349
Soybean Meal (CBT) -100 tons; \$ per ton.						
Dec	453.10	461.70	440.80	460.20	6.90	90,550
Jan/24	436.00	444.70	425.10	443.30	6.80	165,607
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
Dec	52.20	53.15	51.52	53.11	1.10	56,046
Jan/24	51.40	52.43	50.71	52.39	1.18	142,842
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
Jan	17.27	17.40	17.26	17.40	-0.01	9,156
March	17.56	17.58	17.50	17.58	...	1,102
Wheat (CBT) -5,000 bu.; cents per bu.						
Dec	590.75	594.00	541.00	543.50	-7.25	87,945
March/24	575.75	579.75	567.75	570.50	-5.25	218,159
Wheat (K) -5,000 bu.; cents per bu.						
Dec	619.25	621.50	607.00	610.50	-7.50	37,916
March/24	627.50	630.50	616.50	620.25	-7.25	118,809
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
Jan	230.500	232.200	227.450	229.850	1.350	22,547
March	232.850	234.525	230.050	232.300	1.325	10,499
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
Dec	177.150	177.575	174.675	175.475	-275	42,983
Feb/24	178.150	178.725	175.700	176.650	-150	106,714
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
Dec	71.075	71.725	70.125	70.350	-6.25	36,275
Feb/24	75.450	76.400	74.675	75.050	-4.00	74,433
Lumber (CME) -27,500 bd. ft.; \$ per 1,000 bd. ft.						
Jan	541.00	549.00	540.00	546.50	7.00	5,100
Milk (CME) -200,000 lbs.; cents per lb.						
Nov	17.12	17.15	17.12	17.13	...	3,587
Dec	16.60	16.71	16.37	16.38	-2.6	6,285
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
Dec	4,069	4,099	4,021	4,034	-49	16,463

New Highs and Lows

Continued From Page B8	Stock	Sym	52-Wk %	Stock	Sym	52-Wk %	
OniskDevWt	OWWV	0.00	63.0	PlutoninaAcqWt	PLTW	0.02	-11.1
PanabaTherap	PBLA	0.51	-7.0	Quhuo	QH	1.06	-21.1
PAMVmed	PXVM	0.20	0.6	RailVestGlobal	RVLG	1.33	-4.8
PaxMedica	PAXM	0.95	-44.0	RelianceGlobal	RELI	0.89	-16.1
PaycomWrt	PNOW	0.43	-4.3	Replimune	REPL	9.79	-21.1
PeVivo	PEV	0.67	-5.3	SDLEDEAcqWt	SEAS	0.05	-0.4
PharmCyteBiotch	PCYB	1.92	6.9	SEALSQ	SEAS	1.00	-4.2
Phunware	PHUN	0.12	-3.2	SMXSecurityMats	SMX	1.10	-3.4

Cash Prices | wsj.com/market-data/commodities

Monday, November 20, 2023

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.

Monday	Monday	Monday
Energy	Copper,Cornex spot 3.8125	Wheat,No.2 soft red,St.Louis-u 5.6500
Coal,C.Apl,c,12500Btu,1.2502-r,w 73.450	Iron Ore,62% Fe CFR China-s *129.8	Wheat - Hard - KC (USDA) \$ per bu-u 6.4350
Coal,Pwdr,RvrBsn,8800Btu,0.8502-r,w 13.950	Steel,HRC USA, FOB Midwest Mill-s *950.0	Wheat,No.1 soft white,Portld,OR-u 6.8750
Metals	Battery/EV metals	Food
BMI Lithium Carbonate, EXW China, +99.2%-v,w 20425	BMI Lithium Hydroxide, EXW China, +56.5%-v,w 19525	Beef,carcass equiv. index 276.07
BMI Cobalt sulphate, EXW China, +20.5%-v,m 5275	BMI Nickel Sulphate, EXW China, +20.5%-v,m 4295	choice 1-3,600-900 lbs.-u 250.48
BMI Flake Graphite, FOB China, +100 Mesh, 94.95%-v,m 540	Fibers and Textiles	Broilers, National comp wtd, avg.-v,w 2.5175
Burlap,10-oz,40-inch NY yd-n,w 0.7300	Cotton,1 1/16 std lw-md,MpHS-u 0.7775	Butter,AA,Chicago 1.6619
Cotlook 'A' Index-t *90.90	Cotlook 'A' Index-t *90.90	Cheeddar cheese,dbl,Chicago-d 151.00
Hides,hvy native steers piece fob-u n.a.	Hides,hvy native steers piece fob-u n.a.	Cheeddar cheese,blk,Chicago-d 160.00
Wool,64s,Staple,Terr del-u,w n.a.	Wool,64s,Staple,Terr del-u,w n.a.	Milk,Nonfat dry,Chicago-lb-u 119.25
Grains and Feeds	Grains and Feeds	Coffee,Brazilian,Comp-y 1.9226
Bran,wheat middlings, KC-u,w 138	Bran,wheat middlings, KC-u,w 138	Eggs,large white,Chicago-u 2.2650
Corn,No.2 yellow,Cent IL-lb-pu 4.4400	Corn,No.2 yellow,Cent IL-lb-pu 4.4400	Flour,hard winter KC-p 17.25
Corn gluten feed,Midwest-u,w 165.00	Corn gluten feed,Midwest-u,w 165.00	Hams,17-20 lbs,Mid-US fob-u n.a.
Corn gluten meal,Midwest-u,w 595.3	Corn gluten meal,Midwest-u,w 595.3	Hogs,lowa-so, Minnesota-a 75.32
Cottonseed meal-u,w 350	Cottonseed meal-u,w 350	Pork bellies,12-14 lb MidUS-u 1.0374
Hominy feed,Cent IL-u,w 146	Hominy feed,Cent IL-u,w 146	Pork loins,13-19 lb MidUS-u n.a.
Meat-bonemeal,50% pro Mnpls-u,w 388	Meat-bonemeal,50% pro Mnpls-u,w 388	Steers,Tex.-Okla. Choice-u n.a.
Oats,No.2 milling,Mnpls-u 4.3725	Oats,No.2 milling,Mnpls-u 4.3725	Steers,feeder,Okla. City-u,w 264.25
Rice, Long Grain Milled, No. 2 AR-u,w 35.88	Rice, Long Grain Milled, No. 2 AR-u,w 35.88	Fats and Oils
Sorghum,(Milo) No.2 Gulf-u n.a.	Sorghum,(Milo) No.2 Gulf-u n.a.	Degummed corn oil, crude wtd, avg.-u,w n.a.
SoybeanMeal,CentIL,rail,ton48%-u,w 469.30	SoybeanMeal,CentIL,rail,ton48%-u,w 469.30	Grease,choice white,Chicago-h 0.4500
Soybeans,No.1 yllw IL-lb-pu 13.2700	Soybeans,No.1 yllw IL-lb-pu 13.2700	Lard,Chicago-u n.a.
Wheat,Spring14%-pro Mnpls-u 9.0725	Wheat,Spring14%-pro Mnpls-u 9.0725	Soybean oil,crude,CentIL-u,w 0.5451
		Tallow,bleach,Chicago-l 0.5100
		Tallow,edible,Chicago-u n.a.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=n.a. not quoted or not available; P=South Platte; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 11/17

Mutual Funds

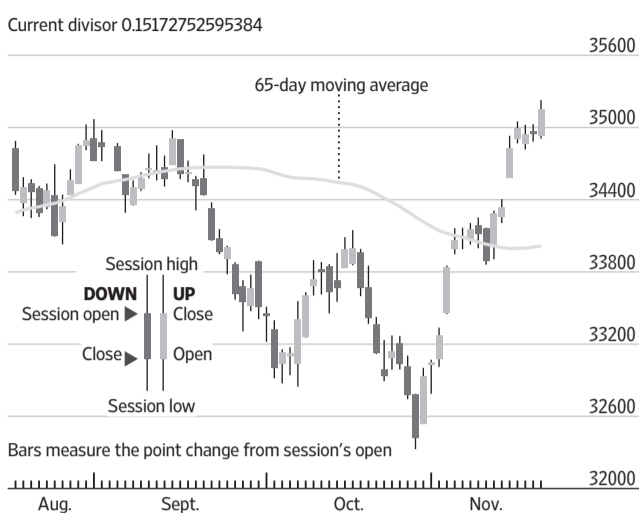
Monday, November 20, 2023			
Fund	NAV	Net YTD Chg % Ret	Fund
AB Funds	10.56	+0.02	1.4
MutInvcShares	10.56	+0.02	1.4
AB Funds - ADV	89.86	+0.84	28.54
LgCpGrAdv	89.86	+0.84	28.54
American Century Inv	75.18	+0.80	36.3
Ultra	75.18	+0.80	36.3
American Funds CI A	36.78	+0.35	22.6
AmpcA	36.78	+0.35	22.6
MutIA	49.62	+0.19	3.8
BAlA	49.62	+0.19	3.8
Bonda	NA	...	NA
CapIBA	63.61	+0.25	3.1
CapWGrA	58.32	+0.49	14.3
EupacA	53.93	+0.44	10.3
FdlInvA	70.16	+0.59	18.5
GwthA	63.62	+0.62	28.6
HC TR A	9.11	+0.02	6.6
ICAA	49.54	+0.38	21.3
IncoA	22.45	+0.07	1.5
N PerA	55.94	+0.46	18.2
NECOA	53.10	+0.53	22.1
NwWrldA	73.87	+0.70	11.1
SmCpA	60.77	+0.52	8.3
TeXA	12.00	+0.02	2.1
WshA	55.80	+0.37	11.3
Artisan Funds	45.27	+0.08	17.3
IntVal Inst	45.27	+0.08	17.3
Baird Funds	9.46	+0.02	1.3
AggBdInst	9.46	+0.02	1.3
CorBdInst	9.76	+0.02	1.8
ShtTbdInst	9.30	...	3.7
BlackRock Funds	6.78	+0.01	8.5
HYIYdBl Inst	6.78	+0.01	8.5
BlackRock Funds III	3.98	+0.02	20.1
IS&PS500dKX 534.32	3.98	+0.02	20.1
BlackRock Funds	18.80	+0.04	6.3
EqtyDivd	18.80	+0.04	6.3
StratncOptlyns	9.14	...	3.4
TotRet	9.64	+0.02	NA
Calamos Funds	14.70	+0.01	7.8
MktNeut	14.70	+0.01	7.8
Columbia Class	29.92	+0.13	5.0
DivIncM I	29.92	+0.13	5.0
Dimensional F	10.15	...	4.3
EngbFxdInc	10.15	...	4.3
EmgMktVat	28.63	+0.27	11.2
50dlyInstPrem 158.17	+1.17	20.2</	

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

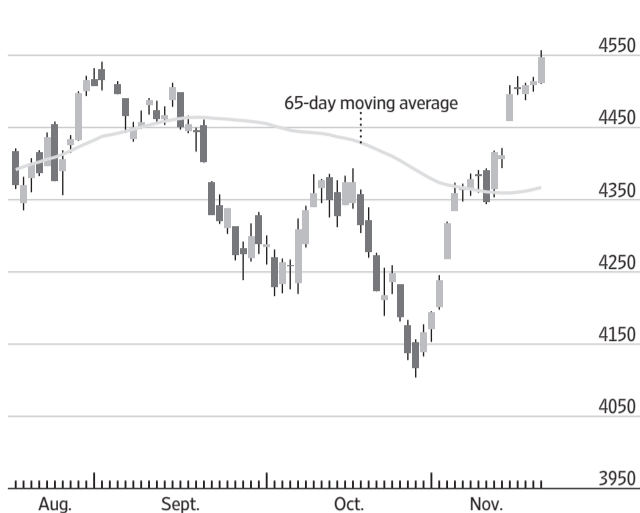
35151.04 ▲203.76, or 0.58%
 High, low, open and close for each trading day of the past three months.
 Last Year ago
 Trailing P/E ratio 25.57 20.95
 P/E estimate * 19.18 18.36
 Dividend yield 2.07 2.01
 All-time high 36799.65, 01/04/22



Current divisor 0.15172752595384

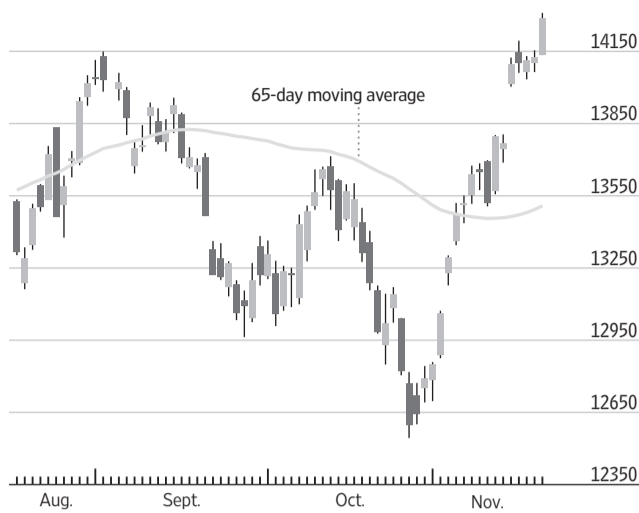
S&P 500 Index

4547.38 ▲33.36, or 0.74%
 High, low, open and close for each trading day of the past three months.
 Last Year ago
 Trailing P/E ratio * 19.69 19.22
 P/E estimate * 20.17 17.75
 Dividend yield * 1.70 1.68
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

14284.53 ▲159.05, or 1.13%
 High, low, open and close for each trading day of the past three months.
 Last Year ago
 Trailing P/E ratio ** 29.27 24.37
 P/E estimate ** 27.19 22.54
 Dividend yield ** 0.82 0.94
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	35227.48	34907.98	35151.04	203.76	0.58	35630.68	31819.14	4.3	6.0
Transportation Avg	15016.31	14833.70	14982.29	49.99	0.33	16695.32	13298.36	4.8	11.9
Utility Average	862.82	848.75	860.01	-3.49	-0.40	1002.11	783.08	-9.0	-11.1
Total Stock Market	45250.57	44797.75	45156.79	326.89	0.73	45969.67	37910.34	13.8	17.2
Barron's 400	989.06	982.86	987.77	3.11	0.32	1036.97	881.58	3.1	7.3
Nasdaq Stock Market									
Nasdaq Composite	14309.80	14134.20	14284.53	159.05	1.13	14358.02	10213.29	29.6	36.5
Nasdaq-100	16056.76	15844.83	16027.06	189.07	1.19	16027.06	10679.34	38.7	46.5
S&P									
S&P Index	4557.11	4510.36	4547.38	33.36	0.74	4588.96	3783.22	15.1	18.4
MidCap 400	2552.32	2525.75	2546.88	10.10	0.40	2728.44	2326.82	1.7	4.8
SmallCap 600	1176.87	1166.51	1176.02	4.86	0.41	1315.82	1068.80	-3.1	1.6
Other Indexes									
Russell 2000	1809.21	1794.71	1807.08	9.32	0.52	2003.18	1636.94	-1.7	2.6
NYSE Composite	15916.86	15782.47	15881.63	68.17	0.43	16427.29	14599.05	3.9	4.6
Value Line	543.74	538.73	543.07	2.67	0.49	606.49	498.09	-1.7	1.3
NYSE Arca Biotech	4826.47	4783.05	4807.16	21.57	0.45	5644.50	4544.40	-6.7	-9.0
NYSE Arca Pharma	882.44	870.80	879.17	3.79	0.43	925.61	791.91	5.4	1.3
KBW Bank	83.58	82.53	83.26	-0.12	-0.15	115.10	71.71	-21.6	-17.4
PHLX [§] Gold/Silver	113.20	111.32	113.08	0.17	0.15	144.37	103.31	0.0	-6.4
PHLX [§] Oil Service	85.23	84.11	84.17	-0.01	-0.01	98.76	69.29	1.3	0.4
PHLX [§] Semiconductor	3817.83	3747.29	3805.80	57.15	1.52	3861.63	2453.49	42.2	50.3
Cboe Volatility	14.31	13.39	13.41	-0.39	-2.83	26.52	12.82	-40.0	-38.1

§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
SPDR S&P 500 ETF Trust	SPY	6,481.1	454.22	-0.04	-0.01	454.77	451.76
Robinhood Markets	HOOD	5,408.3	8.15	0.02	0.25	8.17	8.13
Arcutis Biotherapeutics	ARQT	4,918.5	2.07	...	unch.	2.09	2.03
Bank of America	BAC	4,089.7	30.08	0.07	0.23	30.12	30.00
RLX Technology ADR	RLX	4,058.0	2.35	...	unch.	2.35	2.30
Fidelity Natl Info Svcs	FIS	3,896.4	54.80	...	unch.	55.02	53.50
iSh MSCI Emerging Mkts	EEM	3,657.1	39.85	...	unch.	39.88	39.80
TAL Education Group ADR	TAL	3,569.8	9.82	-0.04	-0.41	9.93	9.81

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Symbotic	SYM	333.9	44.60	7.44	20.02	44.96	37.15
Agilent Technologies	A	221.3	121.55	7.57	6.64	121.90	111.59
Lithium Amer Argentina	LAAC	83.1	6.21	0.31	5.25	6.21	5.83
Rhythm Pharmaceuticals	RYTM	87.5	35.00	1.66	4.98	35.70	31.68
Shift4 Payments	FOUR	113.0	66.50	1.91	2.96	66.50	63.31

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
MorphoSys ADR	MOR	269.4	4.40	-1.46	-24.91	5.89	3.81
Sempra	SRE	1,053.4	68.50	-3.93	-5.43	72.43	68.50
ATI	ATI	220.3	42.37	-2.22	-4.98	44.59	42.37
KB Financial Group ADR	KB	692.7	39.83	-1.63	-3.93	41.46	39.83
Aflac	AFL	147.5	78.19	-2.98	-3.67	81.46	78.19

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	854,432,966	10,326,723
Adv. volume*	561,202,194	4,764,844
Decl. volume*	277,467,200	5,297,560
Issues traded	2,951	317
Advances	1,784	162
Declines	1,067	143
Unchanged	100	12
New highs	85	7
New lows	16	11
Closing Arms [†]	0.74	1.52
Block trades*	3,983	123

	Nasdaq	NYSE Arca
Total volume*	4,561,816,039	290,412,341
Adv. volume*	3,330,885,975	225,597,211
Decl. volume*	1,194,785,149	63,958,406
Issues traded	4,440	1,859
Advances	2,637	1,600
Declines	1,608	238
Unchanged	195	21
New highs	112	154
New lows	108	18
Closing Arms [†]	0.59	2.12
Block trades*	28,366	1,472

* Primary market NYSE, NYSE American, NYSE Arca only.
 † (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	690.40	4.70	0.69	14.0
	MSCI ACWI ex-USA	300.10	1.73	0.58	6.7
	MSCI World	3004.88	19.69	0.66	15.5
	MSCI Emerging Markets	985.41	8.89	0.91	3.0
Americas	MSCI AC Americas	1722.13	12.64	0.74	18.2
Canada	S&P/TSX Comp	20246.47	70.70	0.35	4.4
Latin Amer.	MSCI EM Latin America	2487.46	29.88	1.22	16.9
Brazil	BOVESPA	125957.06	1183.85	0.95	14.8
Chile	S&P IPSA	3284.40	39.72	1.22	3.5
Mexico	S&P/BMV IPC	52685.10	...	Closed	8.7
EMEA	STOXX Europe 600	456.26	0.44	0.10	7.4
Eurozone	Euro STOXX	455.01	0.48	0.11	11.0
Belgium	Bel-20	3534.77	0.30	0.01	-4.5
Denmark	OMX Copenhagen 20	2236.36	22.08	1.00	21.9
France	CAC 40	7246.93	13.02	0.18	11.9
Germany	DAX	15901.33	-17.83	-0.11	14.2
Israel	Tel Aviv	1735.48	23.87	1.39	-3.4
Italy	FTSE MIB	29541.90	43.47	0.15	24.6
Netherlands	AEX	759.47	0.88	0.12	10.2
Norway	Oslo Bors All-Share	1528.54	12.85	0.85	12.2
South Africa	FTSE/JSE All-Share	74321.48	400.74	0.54	1.7
Spain	IBEX 35	9839.00	77.60	0.79	19.6
Sweden	OMX Stockholm	827.10	4.59	0.56	5.8
Switzerland	Swiss Market	10740.27	2.90	0.03	0.1
Turkey	BIST 100	7946.37	93.01	1.18	44.2
U.K.	FTSE 100	7496.36	-7.89	-0.11	0.6
U.K.	FTSE 250	18599.05	31.17	0.17	-1.3
Asia-Pacific	MSCI AC Asia Pacific	161.90	1.02	0.63	4.0
Australia	S&P/ASX 200	7058.40	9.01	0.13	0.3
China	Shanghai Composite	3068.32	13.95	0.46	-0.7
Hong Kong	Hang Seng	17778.07	323.88	1.86	-10.1
India	S&P BSE Sensex	65655.15	-139.57	-0.21	7.9
Japan	NIKKEI 225	33388.03	-197.17	-0.59	28.0
Singapore	Straits Times	3111.58	-13.09	-0.42	-4.3
South Korea	KOSPI	2491.20	21.35	0.86	11.4
Taiwan	TAIEX	17210.47	1.52	0.01	21.7
Thailand	SET	1419.44	3.66	0.26	-14.9

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	High	52-Week Low	% chg
MIRA Pharmaceuticals	MIRA	4.65	1.33	40.06	7.98	1.33	...
YPF ADR	YPF	15.01	4.28	39.89	16.19	6.79	106.5
Safety Shot	SHOT	4.29	1.11	34.91	4.73	0.26	339.8
Jin Medical International	ZJYL	17.00	4.38	34.71	29.82	4.84	...
Fortress Biotech	FBIO	2.80	0.71	33.97	17.40	1.24	-75.8
Blackboxstocks	BLBX	3.35	0.82	32.41	9.50	1.04	76.4
BM Technologies	BMTX	3.12	0.76	32.20	6.13	1.41	-44.6
HireRight	HRT	13.25	3.20	31.84	13.42	8.50	29.4
TherapeuticsMD	TXMD	2.92	0.65	28.63	7.18	1.95	-36.0
Soluna Holdings	SLNH	3.60	0.79	28.11	22.74	2.09	-83.5
SenesTech	SNES	2.97	0.63	26.92	80.95	2.10	-91.3
iClick Interactive ADR	ICLK	3.40	0.70	25.93	5.69	1.36	37.7
Empresa Distribuid ADR	EDN	14.33	2.83	24.61	17.37	6.52	108.6
Transportadora Gas ADR	TGS	13.03	2.57	24.57	14.19	8.11	51.9
Grupo Supervielle ADR	SUPV	2.54	0.49	23.90	3.57	1.54	62.8

Most Active Stocks

MARKETS

Stocks Get Lift From Microsoft's AI Hire

Yield on benchmark 10-year Treasury falls to 4.421% after strong auction

By SAM GOLDFARB

Investor enthusiasm for artificial intelligence took center stage again after **Microsoft** announced it was hiring freshly ousted **OpenAI** Chief Executive Sam Altman to lead its new advanced AI research team.

The news spurred a rally in Microsoft shares, helping power stock indexes higher. The S&P 500 climbed 0.7% and the tech-heavy Nasdaq Composite advanced 1.1%. The Dow Jones Industrial Average rose 0.6%, or around 204 points.

Coming off three straight weeks of gains, the S&P 500 is up 8.4% this month and 18% for the year. The recent rally has been fueled by growing bets that the Federal Reserve

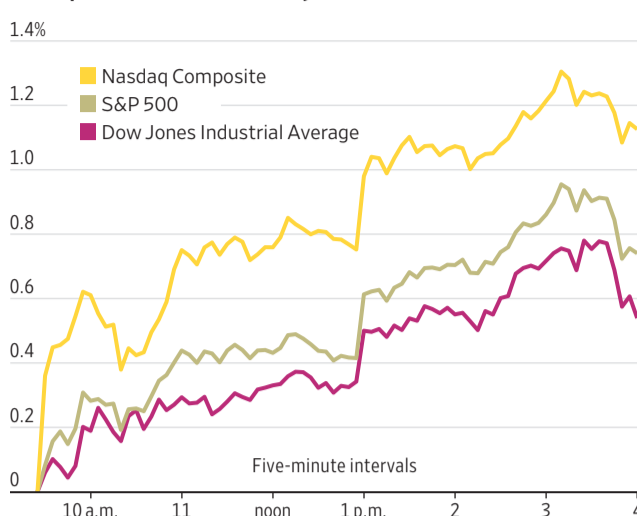
is done raising interest rates. But optimism about AI has continued to be a tailwind as well, extending a trend that kicked off last year after OpenAI's release of its ChatGPT chatbot.

Already a major beneficiary of the AI trade, Microsoft shares rose a further 2.1% to a record after it announced Altman's hiring late Sunday. The move followed Altman's unexpected ouster by OpenAI's board on Friday, and a subsequent effort by investors to bring him back to the company.

Another major piece of the AI trade also gained momentum, with **Nvidia** shares rising 2.3% ahead of the chip maker's earnings report on Tuesday. Nvidia's semiconductors are considered central to the development of AI efforts by companies and its stock has been a big contributor to the S&P 500's gains this year.

Ryan Detrick, chief market strategist at Carson Group, said "there's still incredible po-

Index performance on Monday



Source: FactSet

tential" in artificial intelligence. "Companies like Microsoft and Nvidia, they're clearly capitalizing on that," he said.

Stocks on Monday also got a boost from a further decline in U.S. Treasury yields.

Yields, which help deter-

mine interest rates across the economy, initially ticked higher in morning trading but fell after a government auction of 20-year bonds met with strong demand from investors.

The yield on the benchmark 10-year U.S. Treasury note set-

led at 4.421%, down from 4.441% Friday and 4.874% at the end of October.

Among individual stocks outside of the tech sector, **Boeing** rose 4.6%. That added to its gains from last week, when Dubai-based Emirates Airline said it would purchase 95 jets from the company.

Paramount Global was among the top gainers in the S&P 500, rising 5.6% after it said in a filing late Friday that it had adopted a severance plan for senior executives that would be implemented if they leave following a change in control of the company.

Meanwhile, **Bayer's** Frankfurt-listed shares fell 18% after the German chemical and drug giant said that it was halting a trial for an experimental cardiovascular drug. Shares of **Bristol Myers Squibb**, which is developing a similar drug, dropped 3.8%.

Overseas, the Stoxx Europe 600 rose 0.1%. At midday Tuesday, Japan's Nikkei 225 was down 0.15%, Hong Kong's

Hang Seng Index was up 1% and South Korea's Kospi was up 0.9%. S&P 500 futures rose 0.1%.

The U.S. stock and bond markets will be closed Thursday for Thanksgiving and will close early on Friday.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$223,712,001,100	\$178,467,011,100
Accepted bids	\$80,867,489,100	\$73,318,326,100
* noncomp	\$2,166,283,600	\$2,087,951,400
* foreign noncomp	\$0	\$0
Auction price (rate)	98.682500 (5.270%)	97.370472 (5.230%)
	5.429%	5.461%
Bids at clearing yield accepted	14.08%	22.74%
	912796228	912797HR1

Both issues are dated Nov. 24, 2023. The 13-week bills mature on Feb. 22, 2024; the 26-week bills mature on May 23, 2024.

20-YEAR BONDS

Applications	\$41,398,294,800
Accepted bids	\$16,184,316,400
* noncompetitively	\$168,798,900
* foreign noncompetitively	\$0
Auction price (rate)	99.612655 (4.780%)
	4.750%
Bids at clearing yield accepted	18.63%
Cusip number	912810TW8

The bonds, dated Nov. 30, 2023, mature on Nov. 15, 2043.

Brazil's Maturing Private Markets Attract U.S. Investment Firms

By LUIS GARCIA

Brazil's private-capital industry continues to mature and is attracting U.S. asset managers looking to expand in new regions, as investment risks increase in other markets such as China.

Publicly traded U.S. firm **Ares Management**, which oversees about \$395 billion mostly in private credit operations, recently formed a partnership with Brazilian private-equity manager **Vinci Partners** that involves marketing new funds offered by both firms. As part of the deal, Ares invested \$100 million in Rio de Janeiro-based Vinci.

"We've known the Vinci team for over a decade and are excited to collaborate on distribution, product develop-

ment and other business opportunities in Brazil and across Latin America," Michael Arougheti, Ares chief executive, said during an earnings call with analysts. "We believe that the Latin American markets are in the very early stages of shifting capital into the private markets, particularly within private credit."

In another deal, **Claire Group**, the investment firm of former SoftBank Group senior executive Marcelo Claire, acquired a stake in eB Capital, a private-equity firm in São Paulo, the firms said last month. Claire is joining eB Capital as vice chairman and managing partner. He is also technology-driven apparel supplier Shein Group's Latin America chairman and executive chairman of Bicycle Capi-

tal, a recently established growth investment firm focused on the region.

International investor interest in Brazil, Latin America's largest economy, has varied in recent decades as the country went through economic growth and recessionary cycles and had governments of different political leanings while weathering corruption scandals.

Many offshore investors have retreated from the country in recent years, leading to a shortage of capital that increased potential returns for those who stayed, said Ricardo Kanitz, a managing partner at Brazilian private-markets firm Spectra Investments.

As of last December, Brazil's private-investment funds raised from 1994 to 2022 gen-



Claire Group's Marcelo Claire

erated an average profit of 2.2 times invested capital, including from unrealized investments, and produced a 12.7% mean net internal rate of return, according to a study

from Spectra and the Inesper Institute of Education and Research, a São Paulo university.

The study, published in August, showed private-equity and venture-capital funds combined had paid out an average of 0.84 times invested capital to their limited-partner investors as of last December.

The Spectra-Inesper study was done in collaboration with the Brazilian Private Equity and Venture Capital Association.

The results show that the entire Brazilian private-capital industry has returned to investors nearly the same amount of money it called out from them, a sign of its positive evolution, Kanitz said.

Brazilian fund managers also point to a proliferation of credit and special-situations fund managers in recent

years as another sign of maturity, along with an expanding secondary market for private fund stakes.

Brazil continues to pose risks and present potential pitfalls for investors, particularly those who are unfamiliar with the local market, said Karyn Koiffman, a partner with the Akerman law firm who works in its mergers-and-acquisitions and private-equity practices. Koiffman, who also specializes in Latin America, cited government red tape, the complicated legal system and costly tax policies as examples.

But she pointed to some encouraging developments, such as tax changes pending approval by Brazil's National Congress. "I think everybody was waiting for that," she said.

Early

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

OpenAI Glitch Shows Microsoft Weakness

Hiring Sam Altman offsets some risk, but the company's AI race still faces pitfalls

Microsoft may have put out a fire around its most important technology move in years. But fires leave scorch marks—and sometimes flare up.

A leadership crisis at OpenAI over the weekend threatened to singe the world's second-largest company by market value. That is because OpenAI developed the key generative artificial-intelligence technology that helped power Microsoft's aggressive move into the field. Microsoft invested a total of \$13 billion into the company and launched commercial products and services based on its technology, including a chatbot-enabled Bing search engine and a superpowered digital assistant called Copilot that can render emails, spreadsheets and PowerPoint presentations.

But \$13 billion doesn't buy what it used to. "Microsoft has no board seat and no control," OpenAI's website proclaims, after a lengthy explanation of the company's unique nonprofit ownership, which is aimed at "remaining unencumbered by profit incentives."

Microsoft's largess didn't even buy it an early heads-up on the news that OpenAI's board made the decision to fire co-founder and Chief Executive Sam Altman—who has become AI's most visible proponent. Microsoft reportedly found out about Altman's firing minutes before it was announced Friday afternoon, an announcement that took nearly 2% off Microsoft's stock price before the market closed.

Microsoft's stock clawed back all those losses and a bit more on Monday, after CEO Satya Nadella said late Sunday that he hired Altman and other key OpenAI figures



Sam Altman, left, onstage with Microsoft CEO Satya Nadella at OpenAI DevDay on Nov. 6.

to "lead a new advanced AI research team."

He noted that Microsoft remains committed to its partnership with OpenAI, where two-thirds of the workforce sent an open letter Monday morning threatening to quit the company if Altman and former President Greg Brockman aren't brought back. The situation remains fluid and even more puzzling; one of the signatories of the above letter is the co-founder and chief scientist who reportedly led the boardroom effort to push Altman out.

Whatever the outcome of the latest twist, Microsoft appears to have shielded itself from the worst of the fallout.

Hiring Altman and other key

OpenAI talent would give Microsoft more direct control over the technology that is seen as key to its future.

Having Altman return to OpenAI under a different leadership structure could accomplish much of the same, given that OpenAI will still need Microsoft's financial support and computing backbone to develop its technology.

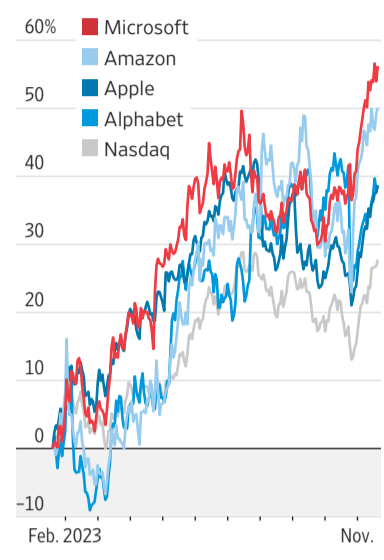
Microsoft's early relationship with OpenAI gave the software giant a pole position in what has turned out to be the biggest tech race in years. And it is a race that Microsoft has been seen as winning. Microsoft's market value has surged more than \$980 billion since the company's last OpenAI investment was reported in Janu-

ary, with the stock also outperforming its big tech rivals Apple, Amazon and Google-parent Alphabet in that time.

Stifel analyst Brad Reback said, "this is the first time in over two decades the company is not playing from behind in an emerging tech trend" in a note to clients on Monday.

But the lack of control demonstrated by the recent drama also shows a key weakness in Microsoft's AI armor. And the company's current chosen path of essentially acquiring OpenAI by hiring its key talent poses its own risks, given the distinct possibility of legal challenges that could arise from such an endeavor. "As the board of OpenAI controls the non-

Share price and index performance since Microsoft's last OpenAI investment



Source: FactSet

profit and the for-profit entities, it controls collaboration with Microsoft, and therefore the future of Microsoft," Pierre Ferragu of New Street Research wrote in a note Sunday, before the news of Microsoft hiring Altman.

Microsoft's AI fate rests in the hands of large corporate clients who shell out millions of dollars annually for the company's software; Wall Street currently expects Microsoft's revenue to average 14% growth annually over the next three years even as it approaches the \$300 billion mark.

Those clients will need to know that Microsoft's vital code can't be scrambled by a Silicon Valley soap opera.

—Dan Gallagher



Huawei seems to have leapfrogged roadblocks with the surprise launch of the Mate 60 Pro, a smartphone with 5G capabilities, in August.

People Aren't The Problem At Citigroup

The round of layoffs beginning at Citigroup this week may be painful. But job cuts won't cure what ails the global bank by themselves.

Citigroup's profitability lags well behind its peers, with a return on tangible common equity below an annualized 8% in the third quarter, versus 15% plus at **Bank of America** and **Wells Fargo**, and about 22% at **JPMorgan Chase**, according to figures compiled by Visible Alpha. That long-running gap is what Chief Executive Jane Fraser will be working hard to narrow, with restructuring and eliminating management layers part of that process.

But spending on people isn't the heart of Citigroup's profit problem. On that front, it isn't out of line with peers: Its compensation ratio, or what it pays employees as a percentage of revenue, was about 37% in the third quarter, according to Visible Alpha—roughly the same as Bank of America and **U.S. Bancorp**, and below Wells Fargo.

Cutting what it spends on staff is only the front-facing part of what Citigroup needs, which is core simplification and de-sprawling. That process is under way, with the bank saying it completed the sale of its Indonesia consumer-banking businesses. That is the ninth overseas market in which it completed sales of retail banking units, the bank said.

It is Citigroup's spending on other stuff that is above-peer. That includes aspects of its regulator-overseen compliance and oversight systems transformation. Its non-compensation spending ratio, at 30% in the third quarter, was well above where Bank of America and JPMorgan were, at closer to 25%, according to Visible Alpha.

Bending the cost curve is a big part of what would get the bank to its efficiency ratio—or operating expenses as a percentage of revenue—target of under 60% in the medium-term, from 67% in the third quarter. Revenue growth will play its part too. This is part of what will hopefully reduce the bank's capital requirements. Reducing capital needs can enable more share buybacks to improve return on equity. So even with these tough cuts, Citigroup's turnaround has a way to go.

—Telis Demos

Apple Should Watch Its Back in China

Signals are finally getting stronger for the global smartphone market. Chinese handset makers like **Huawei**, which was locked out of the race by U.S. sanctions, are dialing back in.

That adds up to a tricky outlook for **Apple** in China, its second-largest revenue region after North America. Huawei's Chinese rival **Xiaomi**, which reported third-quarter results Monday, is making a renewed push in the premium segment—Apple's bread and butter.

Global smartphone shipments are at their lowest level in a decade after dropping 11% in 2022, according to industry tracker IDC. The market may yet notch another decline for 2023 as a whole—but things have begun looking up in recent months.

Smartphone shipments fell 0.1% year on year in the third quarter, according to IDC. Supply-chain backlogs, which have plagued the industry since the pandemic-era electronics boom ended in 2022, may be easing.

Smartphone shipments in China, which was doing even

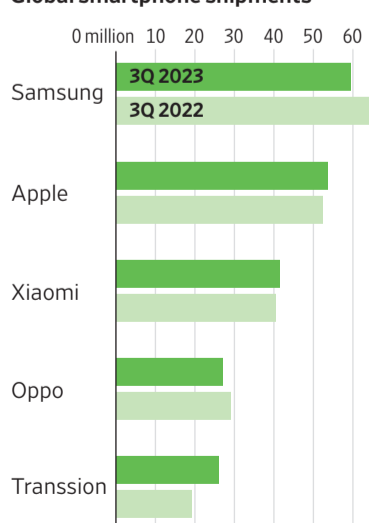
worse than the global market, are perking up. Sales grew 11% year over year in the first four weeks of October, according to Counterpoint Research. Huawei is the star: Its sales jumped more than 90% from a year earlier.

Huawei's sales plummeted after the U.S. imposed sanctions restricting its access to advanced chips in 2019. But it seems to have leapfrogged those roadblocks with the surprise launch of the Mate 60 Pro, a smartphone with 5G capabilities, in August.

Xiaomi has done well of late, with sales growing 33% year over year in the same four-week period of October. Apple's sales, meanwhile, were down by a single-digit percentage, according to Counterpoint.

Outside China, Huawei faces a tougher battle since U.S. sanctions mean it can't use products like Google's Android operating system. The recovery of the global smartphone market will still, however, benefit the likes of Xiaomi and Oppo—which were never targeted by Huawei-style U.S. sanctions. Xiaomi is a major player in

Global smartphone shipments



Source: IDC

markets like India. Around 80% of Xiaomi's smartphone shipments are outside of China, data from IDC shows. The company's revenue last quarter grew 1% from a year earlier, results released Monday showed.

Xiaomi's shares gained 46% this

year, handily outperforming the Chinese and U.S. markets.

The company is focusing on improving profit margins by pushing a more premium product mix. That's a change from the company's previous strategy of expanding scale at the expense of profitability.

Xiaomi's operating margin improved to 7.1% last quarter, from 6% a quarter earlier.

Nascent signs of bottoming in the global cellphone market are a great sign for all handset makers. But with Huawei back in the game and Xiaomi weighing pricier phones, the battle for customers could unfold differently this cycle.

Moreover, from an investor perspective, Xiaomi looks relatively cheap: With shares half of their 2021 peak, the company trades at about 23 times the next 12 months' expected earnings, according to S&P Global Market Intelligence, against roughly 29 for Apple.

Particularly in China, Apple should be looking over its shoulder.

—Jacky Wong