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What's News

Business & Finance

- ◆ **Google lost** an antitrust case over the market power of its app store as a jury sided with "Fortnite" maker Epic Games, which alleged the search giant used its dominant position to squeeze excess profits from app developers. **A1**
- ◆ **Occidental Petroleum** announced a \$10.8 billion accord to buy West Texas producer CrownRock, one of the last remaining sizable private companies in the Permian Basin. **B1**
- ◆ **British oil giant BP** asked U.S. energy regulators to intervene in an escalating dispute with startup U.S. natural-gas exporter Venture Global LNG. **B12**
- ◆ **Major U.S. stock indexes** rose, with the S&P 500 and Dow industrials both advancing 0.4% and the Nasdaq gaining 0.2%. **B12**
- ◆ **Shari Redstone** is considering whether to sell control of her family holding company National Amusements or keep it and find a way to change its fortunes. **B1**
- ◆ **Netflix will stream** a one-night tennis exhibition match featuring Rafael Nadal and Carlos Alcaraz in the company's latest foray into live sports. **B3**
- ◆ **Drug supplier Sigma Healthcare** agreed to merge with privately owned pharmacy operator CW Group, creating a listed company valued at more than \$5.79 billion. **B3**
- ◆ **Bytedance's TikTok** will invest more than \$1.5 billion in a deal with GoTo Group that will allow the Chinese video-sharing app to resume retail operations in Indonesia. **B4**
- ◆ **Oracle reported** second-quarter revenue that missed expectations, sending its shares down 6.9% in after-hours trading. **B4**

World-Wide

- ◆ **Israeli officials warned** Hezbollah to pull back its forces on the Lebanese border and stop firing missiles at Israel to avert another war as fighting between Hamas and Israel's military rages in the Gaza Strip. **A1**
- ◆ **U.S. public opinion** remains favorable toward Israel in its war with Hamas, but just over one third of Americans say they are equally sympathetic to both the Israeli and Palestinian people, a Wall Street Journal poll found. **A7**
- ◆ **Police in major U.S. cities** have seen a rise in hate crimes after the Oct. 7 Hamas attack on Israel and the nation's military response to it. **A7**
- ◆ **The Supreme Court** agreed to fast-track Jack Smith's request that it take up Trump's claim that he is immune from prosecution and can't face criminal charges related to efforts to overturn the November 2020 election. **A3**
- ◆ **Harvard's governing board** was scheduled to meet to discuss calls for removing the university's president as pressure mounted from critics following comments she made before Congress about antisemitism on campus. **A6**
- ◆ **An Iowa poll** showed Trump holding a 32-percent-age-point lead over DeSantis, his nearest rival in the state that will hold the first Republican presidential nominating contest on Jan. 15. **A4**
- ◆ **The Air Force** said it disciplined 15 military officers for dereliction of duty following a probe into how a Massachusetts Air National Guardsman charged with taking and sharing highly classified information went undetected for months. **A4**

CONTENTS	Markets Digest..... B7
Arts in Review..... A13	Opinion..... A15-17
Business & Finance B26	Personal Journal A11-12
Business News..... B35	Sports..... A14
Crossword..... A13	Technology..... B4
Heard on Street..... B13	U.S. News..... A2-7
Markets..... B12	World News..... A8-9,18

Top Indian Court Backs End to Kashmir Autonomy



WIN FOR MODI: Indian paramilitary troops patrol Srinagar on Monday, before India's high court issued its ruling that upheld the government's 2019 move scrapping autonomy for the disputed Himalayan state of Jammu and Kashmir. **A9**

Israel Warns Hezbollah to Pull Back Forces or Risk Wider War

BY CARRIE KELLER-LYNN AND DION NISSENBAUM

TEL AVIV—Israeli officials are warning Hezbollah to pull back its forces on the Lebanese border and stop firing missiles at Israel to avert another war as fighting also rages in the Gaza Strip. The Israeli military on Monday said it shelled Leb-

nese territory after its air-defense system intercepted six projectiles launched from across the border. Israel's air force later struck what the military said was a Hezbollah site, from which it said the group fired projectiles into Israel. The exchanges followed volleys from both sides on Sunday, part of a near-daily tit-for-tat that has killed more

than 100 Hezbollah fighters and six Israeli soldiers. Israel has evacuated tens of thousands of civilians from northern Israel and transformed border communities into de facto military bases amid fears of an expansion of its war with Hamas militants who carried out the Oct. 7 attacks that killed 1,200 people, most of them civilians.

"I think we are a mistake away from escalation," one Israeli military official said. "I don't think Hezbollah really appreciates how the Israeli psyche has changed since Oct. 7." *Please turn to page A8*

- ◆ **Majority of Americans back Israel in war**..... **A7**
- ◆ **Security fears spur Israelis to buy guns**..... **A8**

'Everything Rally' Stirs New Skepticism

BY CHARLEY GRANT

Investors spent most of 2023 fretting about inflation and interest rates. Now they are snapping up everything from stocks and bonds to crypto and even gold. The simultaneous surge across assets has sparked debate about whether the "everything rally" marks the arrival of a lasting bull market—or just a fleeting sugar high at the end of the Federal Reserve's tightening cycle. At the start of the year, interest rates were rising and Wall Street was bracing for a recession. Major stock indexes rallied, driven largely by the "Magnificent Seven" group of technology stocks, but most other sectors languished. Now bond yields are plunging, and investors sense the Fed's fight against inflation is

winding down. The drop in yields has led to a broad rally: Some of the market's most beaten-down sectors, including property stocks and regional banks, are leading the way. "The economy is slowing, but it's not cracking," said Jason Draho, head of asset allocation Americas at UBS Global Wealth Management. "All of which means the concern about the Fed hiking any more, that's off the table." The S&P 500 has advanced 12% from its Oct. 27 low to reach its highest level of 2023 and extend its year-to-date gains to 20%. The blue-chip Dow Jones Industrial Average, which had lagged behind for much of

- ◆ **High yields lure baby boomers to bonds**..... **A12**
- ◆ **Stocks rise ahead of new inflation data**..... **B12**

INSIDE



BUSINESS
Hasbro to cut nearly 20% of its workforce as toy slump lasts into the holidays. **B1**



JASON GAY
The Mahomes meltdown game: Mistake-prone Kansas City trips up. **A14**

Alarm Grows Over Europe's Empty Arsenals

War in Ukraine reveals risks as budget cuts have hollowed out military powers

The British military—the leading U.S. military ally and Europe's biggest defense spender—has only around

By Max Colchester, David Luhnow and Bojan Pancevski

150 deployable tanks and perhaps a dozen serviceable long-range artillery pieces. So bare was the cupboard that last year the British military considered sourcing multiple rocket launchers from museums to upgrade and donate to Ukraine, an

idea that was dropped. France, the next biggest spender, has fewer than 90 heavy artillery pieces, equivalent to what Russia loses roughly every month on the Ukraine battlefield. Denmark has no heavy artillery, submarines or air-defense systems. Germany's army has enough ammunition for two days of battle. In the decades since the end of the Cold War, weakened European armies were tolerated by governments across the West because an *Please turn to page A10*

Tweens Can't Live Without \$29 Face Mist

* * *

Buzzy skin-care brands catch fancy of young market

BY CHAVIE LIEBER

Last Christmas, 11-year-old Charlotte asked for art supplies. This Christmas, she wants face cream. A wish list Charlotte made for her family includes a lactic-acid peeling solution, a beta-hydroxy acid exfoliant, an antioxidant cleanser, and a vitamin B5 serum. "I just really love skin care," said Charlotte, a fifth-grader who lives in the Central Valley of California. "Serums are my favorite because some cool down your face and others give you glowy skin." Tween girls, as defined by *Please turn to page A6*

How Alumni Donors Ousted Penn President

By Thanksgiving, University of Pennsylvania trustees thought they had weathered the worst of an aggressive campaign that rich alumni mounted to fire President Liz Magill over concerns about antisemitism on campus. That hope died when Magill appeared before Congress last week.

Magill said context was needed to determine whether calling for the genocide of Jews would be considered bullying or harassment at Penn. The clip went viral, drawing millions of views. Pennsylvania's governor called the comments "shameful." The Penn president rushed out a video backtracking her remarks. By the weekend, Magill and board Chairman Scott Bok resigned.

At Penn, the university's response to the Oct. 7 attacks in Israel was the final straw for a largely Jewish group of prominent alumni who felt the school wasn't adequately protecting

By Melissa Korn, Rachel Louise Ensign and Douglas Belkin

Jewish students. They campaigned behind the scenes and publicly for the president and chairman to step down, threatening to withhold millions of dollars. They took a playbook from the business world, approaching the typically genteel world of higher education like activist investors.

Since September, marquee donors have huddled in dozens of private meetings, exchanged scores of letters and taken to the airwaves in an effort to combat antisemitism on campus and, eventually, to force a leadership change.

This account of the rupture at Penn is based on conversations. *Please turn to page A6*

- ◆ **Pressure builds on Harvard president**..... **A6**

Google Loses Antitrust Trial Over App Store

Jury decides for Epic Games in a blow to search giant's power over developers

BY MEGHAN BOBROWSKY AND MILES KRUPPA

Google lost an antitrust case over the market power of its app store on Monday, a blow to the search giant as it faces other legal challenges to its search dominance and ad-tech business.

Videogame maker Epic Games had sued Google in 2020, alleging it used its dominant position to squeeze excess profits from app developers. A San Francisco jury reached a unanimous verdict for Epic after deliberating for less than four hours.

The loss comes as Google faces more antitrust challenges, including a landmark trial focusing on its dominant search engine. Epic's suit formed part of a campaign against the fees Google and Apple charge mobile-app developers.

"Today's verdict is a win for all app developers and consumers around the world," Epic, the maker of the popular game "Fortnite," wrote in a blog post after the verdict. "It proves that Google's app store practices are illegal and they abuse their monopoly to extract exorbitant fees, stifle competition and reduce innovation." Alphabet-owned Google said *Please turn to page A4*

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U.S. NEWS

Home-Buying Math No Longer Adds Up

BY GINA HEEB

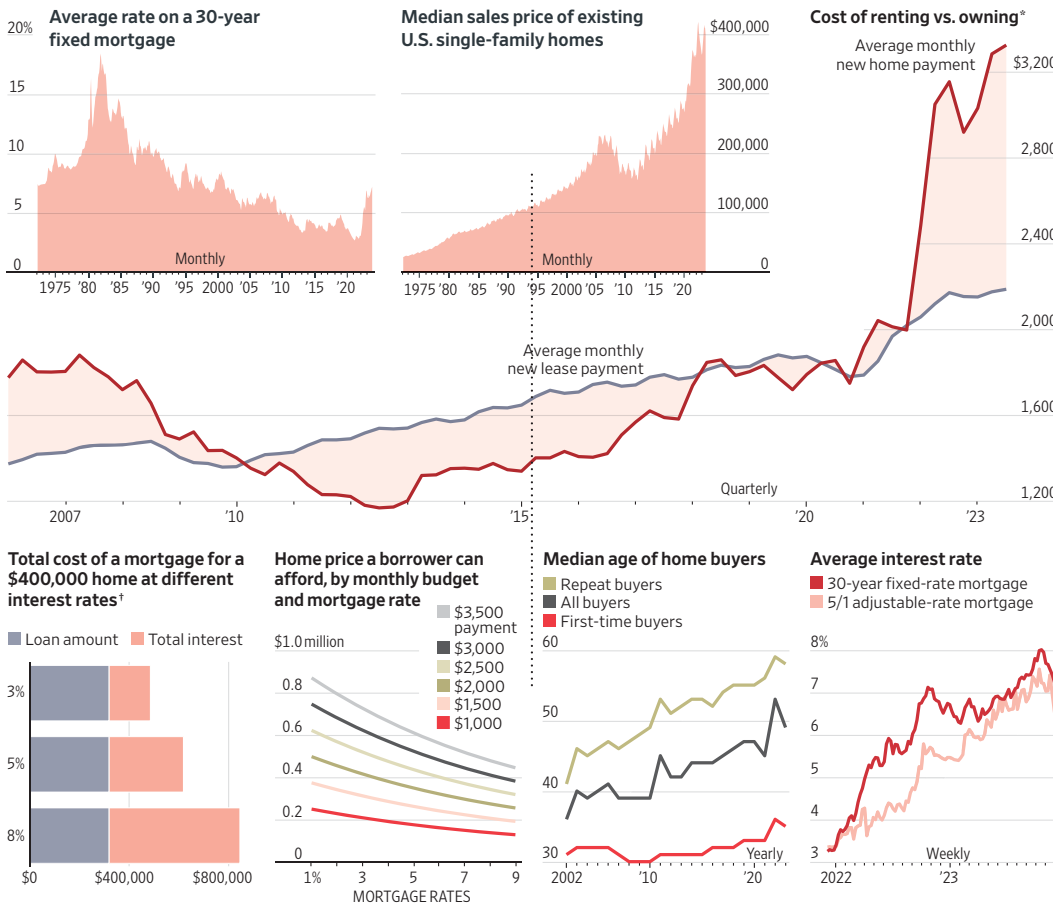
Homeownership has become a pipe dream for more Americans, even those who could afford to buy just a few years ago.

Many would-be buyers were already feeling stretched thin by home prices that shot quickly higher in the pandemic, but at least mortgage rates were low. Now that they are high, many people are just giving up.

It is now less affordable than any time in recent history to buy a home, and the math isn't changing any time soon. Home prices aren't expected to go back to prepandemic levels. The Federal Reserve, which started raising rates aggressively early last year to curb inflation, hasn't shown much interest in cutting them. Mortgage rates slipped to about 7% last week, the lowest in several months, but they are still more than double what they were two years ago.

Typically, high mortgage rates slow down home sales, and home prices should soften as a result. Not this time. Home sales are certainly falling, but prices are still rising—there just aren't enough homes to go around. The national median existing-home price rose to about \$392,000 in October, the highest ever for that month in data that goes back to 1999.

In mortgages, higher rates add up fast. An increase of just a few percentage points can mean hundreds of thousands of dollars more in interest over the life of a standard 30-year loan. Before the Fed started raising rates, a person with a monthly



*Data assumes a 10% down payment and includes private mortgage insurance. †Based on a standard 30-year fixed mortgage, with a 20% down payment. Sources: Freddie Mac (mortgage rates); National Association of Realtors (home prices, median age of home buyers, age of home buyers); CBRE Research, CBRE Economic Advisors, Freddie Mac, U.S. Census Bureau, Realtor.com, FHFA (cost of renting vs. owning); Bankrate.com (total cost of a mortgage, average interest rate); Redfin (home price a borrower can afford)

housing budget of \$2,000 could have bought a home valued at more than \$400,000. Today, that same buyer would need to find a home valued at \$295,000 or less.

First-time and young buyers are still stuck on the sidelines. About one-third of buyers this year were first-time home buyers, below the historical average of 38%, according to the National Association of Realtors. The median

first-time buyer was 35 years old. That was the second-highest on record, behind only 2022's peak of 36. Rents are on the rise, but the cost of buying a home has risen by a lot more. The aver-

age monthly new mortgage payment is 52% higher in the U.S. than the average apartment rent, according to an analysis by CBRE.

—Alana Pipe
contributed to this article.

LAS VEGAS Man Kills Woman, 2 Children, Self

A man shot and killed a woman and two children and critically wounded a third child Monday before fatally shooting himself at a Las Vegas apartment complex, authorities said.

What police described as a murder-suicide took place just five days after three professors were fatally shot by a lone gunman at the University of Nevada, Las Vegas.

Police homicide Lt. Robert Price said the man, woman and children were discovered about 10 a.m. by the man's brother.

Price didn't identify the man, who he said had been under house arrest in an unspecified court case.

—Associated Press

MASSACHUSETTS Hospital Evacuated Due to Car Fire

A car fire at a hospital parking garage in Waltham, Mass., forced the evacuation of patients and staff Monday.

Firefighters responded just after 11 a.m. to the reported fire in a basement garage at Mass General Waltham.

The fire was extinguished, but the hospital had to be evacuated due to concerns about smoke and fumes in the building, according to fire officials. Some patients were transported by ambulance to other area hospitals, Waltham fire officials said. No injuries were reported.

A spokesperson for Mass General Brigham, the hospital's parent organization, said the fire was quickly extinguished.

—Associated Press

NEW YORK CITY Apartment Building Section Collapses

A six-story corner of a Bronx apartment building collapsed Monday afternoon, leaving apartments exposed like a stack of shelves, as firefighters scoured the rubble to ensure no one was trapped.

There were no reports of injuries as of early evening. "Our main objective is to get to the bottom of that pile," Fire Department Chief of Department John Hodgins said. "We'll be here until it's down to the street level, just to make sure if there are any victims under there, hopefully we can get to them in time."

Officials were looking into what caused the collapse. The 1927 building had been undergoing facade repairs.

—Associated Press

U.S. WATCH



Firefighters searched the rubble where a six-story corner of a Bronx apartment building collapsed on Monday.

Everything Rally Fuels Debate

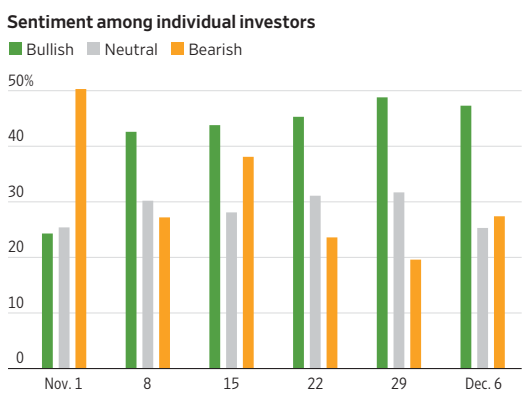
Continued from Page One
the year, is less than 2% from its January 2022 record. And the Nasdaq Composite, which fell farther than the other indexes on the way down, has paced its peers with a 38% gain in 2023.

In the bond market, the yield on the benchmark 10-year U.S. Treasury note has fallen to 4.238% from 5.021% on Oct. 23 as prices have risen. U.S. government bonds returned 3.44% in November, marking their third-best monthly performance since 1989, according to UBS.

The rally has extended to cryptocurrencies. Bitcoin traded above \$44,000 last week for the first time since April 2022. This time, the money followed the trade. Digital asset fund inflows have totaled \$1.76 billion over the past 10 weeks, according to data compiled by crypto asset manager CoinShares. That is the highest level since October 2021, when the first bitcoin futures-based exchange-traded fund launched in the U.S.

Gold futures, which typically rise in times of stress, reached a record in December, a sign investors are growing more confident that interest rates have peaked.

Even Wall Street deal making, which has been largely dormant since 2021, recently perked up. Alaska Air and drug-maker AbbVie unveiled plans for major acquisitions at large premiums, while the fast-fashion company Shein filed for an ini-



Source: American Association of Individual Investors



Source: FactSet

tial public offering. A busy week ahead will help investors gauge where the economy and markets are likely headed next. The consumer-price index for November will be released on Tuesday, while the Fed's next policy meeting will conclude on Wednesday.

Although the stock rally has stalled in December, skepticism among individual investors has melted.

In a weekly survey released on Thursday by the American Association of Individual Invest-

tors, nearly half of participants said they expect markets to rise over the next six months, well above the survey's historical average reading.

At the start of November, just 24% of respondents were bullish and half were bearish. Pessimism at the end of that month reached the lowest level since 2018, the survey said.

"I think this rally has legs and could last into 2024," said Lauren Goodwin, economist and portfolio strategist at New York Life Investments. "My

concern is this Fed relief rally is very typical late in the economic cycle."

Some of the sectors punished by higher interest rates have rallied the most. The S&P 500 real-estate sector advanced 12% in November, its best monthly performance since 2011. An exchange-traded fund of home-builder stocks recently touched a record, even as higher interest rates make homes less affordable for average consumers.

The beleaguered regional-banking sector is shaking off the impact of the crisis that wreaked havoc in March. The KBW Nasdaq Regional Banking Index has gained 22% since the end of October.

Behind the rally is growing confidence that the Fed will be able to achieve a "soft landing," meaning the central bank can bring inflation to heel without triggering a major slowdown. The consumer-price index rose 3.2% in October from a year earlier, less than Wall Street had expected. "Economists who've said it's going to require very high unemployment to get this done are eating their words," Treasury Secretary Janet Yellen said last week.

Investors appeared to find what they were looking for in Friday's jobs report. U.S. employers added 199,000 jobs in November, the Labor Department said, slightly higher than economists had forecast. Job openings fell in October to the lowest level since 2021. Stocks rallied and bond yields rose on Friday in response.

Traders in interest-rate derivatives are pricing in a 98% chance that the central bank will leave its policy rate unchanged at this week's meeting, according to CME Group's Fed-Watch tool. They are pricing in

a 4% likelihood that the Fed will cut rates in January and a 42% chance in March.

By the end of next year, interest rates are expected to be about a full percentage point below current levels.

Skeptical investors and strategists don't expect an imminent reversal. But they point to concerns that inflation could tick higher once again, or the long-feared recession could finally materialize.

"I just think the Fed is not sure enough that they've killed the inflation dragon to cut rates," said Barry Bannister, chief equity strategist at Stifel. Plus, stocks still look relatively pricey compared with history. The S&P 500 trades at about 22 times earnings over the past 12 months, according to FactSet, slightly above the 10-year average.

"The people who are jumping up and down about a soft landing, they might be right," said Justin Simon, portfolio manager at Jasper Capital Management. "But to me, that's the same thing as getting excited about transitory inflation."

—Vicky Ge Huang
contributed to this article.

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FDIC Taps Law Firm To Review Its Culture

BY REBECCA BALLHAUS

A special committee at the Federal Deposit Insurance Corp. said it had hired the law firm Cleary Gottlieb Steen & Hamilton LLP to conduct a review into the workplace culture, replacing another previously hired law firm nearly a month after The Wall Street Journal revealed allegations of harassment and discrimination pervaded the agency.

Led by former acting Manhattan U.S. Attorney Joon Kim, Cleary Gottlieb will examine allegations of sexual harassment and misconduct as well as other issues related to the workplace culture, including "any practices that might discourage or otherwise deter the reporting of, or appropriate response to, harassment and interpersonal misconduct," the special committee said.

The team created a hotline and email address for current and former FDIC employees.

A Journal investigation published last month revealed allegations of a toxic workplace culture at the agency that drove many female bank examiners to quit. In response, FDIC Chairman Martin Gruenberg said the agency had hired a law firm, BakerHostetler, to investigate.

After the Journal reported additional details about Gruenberg and his deputies' involvement in decisions over high-level allegations of sexism, harassment and discrimination in which the agency didn't take a hard line with those accused of misconduct, Gruenberg took responsibility and apologized for the workplace culture in a video to staff last month.

The board, including Gruenberg, ultimately voted unanimously for the formation of a special committee to oversee the review.

The committee opted to broaden the review's remit to examine issues with the workplace culture beyond harassment and discrimination and sent a new solicitation for a firm to lead it. Once the agency widened the scope, it was required to issue a new request for bids.

It is unclear how long the investigation is expected to take. In a 13-page action plan sent to staff this month, Gruenberg projected the review would conclude by the end of February.

Cleary Gottlieb didn't respond to a request for comment.

The law firm's review is one of several investigations of the agency's culture. Lawmakers in the House and Senate have sought records and briefings from the agency, and the FDIC's internal watchdog is also conducting a review of the agency's sexual harassment prevention program and management's handling of complaints of harassment and other misconduct.

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U.S. NEWS

High Court Will Fast-Track Trump Ruling

Special counsel is seeking to bypass appeals panel on immunity issue

By JESS BRAVIN
AND C. RYAN BARBER

WASHINGTON—Special counsel Jack Smith asked the Supreme Court take up Donald Trump's claim that he is immune from prosecution and can't face criminal charges related to efforts to overturn the November 2020 election, in an unusual effort to expedite a judgment crucial for moving the case speedily toward trial.

Hours later, the Supreme Court agreed to fast-track its consideration of whether to hear the case, suggesting that a decision could come within weeks on whether the former president's trial will begin as scheduled in March. The high court directed Trump's lawyers to respond by Dec. 20 to Smith's petition to hear the case.

Smith wants the court to take up the case before a lower appeals court considers it, allowing the justices to squarely weigh in on when, if



Special counsel Jack Smith is trying to keep his prosecution of Donald Trump on schedule.

at all, Trump's trial should move forward. The special counsel's move came 10 days after the trial judge presiding over Trump's case declined his bid to toss the criminal election-interference charges, rejecting arguments that he is immune from prosecution.

In her Dec. 1 opinion, U.S. District Judge Tanya Chutkan wrote that Trump's former of-

fice "does not confer a lifelong 'get-out-of-jail' pass." Chutkan, an Obama appointee, also rejected Trump's argument that, because the Senate acquitted him in a 2021 impeachment trial involving many of the same events, trying him in federal court would amount to double jeopardy—being prosecuted twice for the same crime.

Trump appealed Chutkan's ruling to the U.S. Court of Appeals for the District of Columbia Circuit.

In his court filing Monday, Smith said that appeal to the D.C. Circuit threatened to knock the trial off its March 4 start date. Hoping to avoid that outcome, Smith asked the justices to cut out the lower appeals court and rule directly

on the matter, much as the court did when President Richard Nixon's executive privilege claims threatened to stall a Watergate trial in 1974.

"Given the weighty and consequential character of the constitutional questions at stake, only this Court can provide the definitive and final resolution," Smith wrote.

But the special counsel sought to cover all the bases. In a separate filing, Smith asked the D.C. Circuit to expedite its review of Trump's arguments for tossing the criminal election-subversion charges, in case the Supreme Court declines to intervene. Trump's lawyers oppose that request.

Trump was indicted in August on charges he plotted to overturn the 2020 election results. In contrast to the 2021 impeachment, the criminal charges don't allege that Trump incited his followers to attack on Jan. 6 of that year. They do assert that he corruptly sought to undermine the election's outcome by such acts as organizing slates of fraudulent electors and pressuring officials, including then-Vice President Mike Pence, to alter the results. Trump has pleaded not guilty.

Smith noted that the court granted a special prosecutor's similar motion in 1974 to expedite consideration of executive-privilege claims Nixon asserted. The court unanimously sided with Special Prosecutor Leon Jaworski, and Nixon resigned shortly thereafter.

A representative for Trump criticized the charges as politically motivated. "There is absolutely no reason to rush this sham to trial except to injure President Trump and tens of millions of his supporters," the Trump campaign said in a statement. In a fundraising email, Trump went further, writing that requiring him to stand trial amounted "to the DEATH of America."

The Democratic-majority House impeached Trump in January 2021 for inciting a crowd to attack the Capitol to prevent certification of President Biden's electoral victory. Although 57 senators found Trump guilty, a two-thirds majority is required to convict.

In its filing with the D.C. Circuit, Smith's team said the "public has a strong interest in this case proceeding to trial in a timely manner," and that the trial couldn't begin without a resolution of Trump's appeal.

Texas Woman Who Sought Exception To Abortion Ban Decides to Leave State

By LAURA KUSISTO

A pregnant Texas woman locked in a legal battle over aborting a fetus with a fatal abnormality decided to travel elsewhere for the procedure, a move announced hours before the Texas Supreme Court ruled against her bid for an in-state abortion.

The case appeared to be the first since the overturning of *Roe v. Wade* to test whether a pregnant litigant could use the courts to secure an abortion in a state that outlawed the procedure with exceptions only for certain medical emergencies.

Kate Cox, 31 years old, a mother of two who was 20 weeks pregnant when she filed the case, argued that she should qualify because continuing the pregnancy would affect her health and fertility.

"This past week of legal limbo has been hellish for Kate," said Nancy Northup, president and CEO at the Center for Reproductive Rights. "Her health is on the line. She's been in and out of the emergency room and she couldn't wait any longer."

A trial judge last week issued an order allowing the procedure, but the state Su-



Kate Cox argued that she should qualify under medical exceptions to the state's abortion law because continuing her pregnancy would affect her health and fertility.

preme Court on Friday put a temporary hold on that order—and then, late Monday, ruled that Cox's doctor, Damla Karsan, hadn't adequately attested that Cox's condition met requirements. "Dr. Karsan did not assert

that Ms. Cox has a 'life-threatening physical condition' or that, in Dr. Karsan's reasonable medical judgment, an abortion is necessary because Ms. Cox has the type of condition the exception requires," the court wrote.

The opinion, however, sought to minimize the scope of the court's holding, saying a court order isn't needed for a lifesaving abortion in Texas.

"Our ruling today does not block a lifesaving abortion in this very case if a physician determines that one is needed under the appropriate legal standard, using reasonable medical judgment," the court wrote.

The office of Texas Attorney General Ken Paxton didn't respond to requests for comment. Shortly after the trial-court ruling, Paxton, a Republican, told hospitals where Karsan practices that the decision wouldn't insulate them or the doctor from civil or criminal liability if the abortion were performed.

Since the U.S. Supreme Court eliminated the constitutional right to an abortion in June 2022, pregnant women have been much more likely to leave states in which abortion is banned to get the procedure elsewhere than remain and fight a legal battle.

"Kate's case is proof that exceptions don't work, and it's dangerous to be pregnant in any state with an abortion ban," said Molly Duane, one of Cox's attorneys.



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U.S. NEWS

Man Jailed as Teen Is Freed After His Conviction Is Thrown Out



CELEBRATORY: Marvin Haynes, a 35-year-old man who was imprisoned as a teen for the 2004 killing of a man in a Minneapolis flower shop, was hugged by a supporter Monday as he was set free in Bayport, Minn., after a judge ruled the eyewitness evidence on which his conviction rested was unreliable.

15 Officers Disciplined Over Leaks By Teixeira

BY NANCY A. YOUSSEF

The Air Force said Monday it has disciplined 15 military officers for dereliction of duty following an internal investigation into how Airman First Class Jack Teixeira, the Massachusetts Air National Guardsman charged with taking and sharing highly classified information, went undetected for months.

Teixeira, 21, was arrested by federal agents in April at his family home in Dighton, Mass., after he allegedly shared classified documents with an online community from the social-media app Discord.

The government has accused Teixeira of being the hub for an extraordinary leak that sent the U.S. government rushing to protect its secrets. The leak also exposed details of American surveillance of adversaries and allies, causing diplomatic tensions with some U.S. partners and raising concerns about undermining Ukraine's fight against Russia.

The eight-page report written by the Air Force inspector general described a unit that was aware in several instances that Teixeira was looking at documents he didn't need for his job and taking notes on them, but didn't properly report violations. The unit did a poor job of training and practicing good keeping of classified documents, the report concluded.

"The preponderance of the evidence shows three individuals in AIC Teixeira's supervisory chain had information about as many as four separate instances of security incidents and potential insider threat indicators they were required to report," according to released findings, which used AIC to refer to his rank. "Had any of these three members come forward and properly disclosed the information they held at the time of the incidents, the length and depth of the unauthorized disclosures may have been reduced by several months."

Among the biggest mistakes the unit made was to give Teixeira access to information he didn't need. Fellow airmen didn't understand what to do when someone has access to such information, the report found. The report didn't find that those who saw suspicious activity knew what Teixeira was doing, but rather that they didn't report improper handling of classified information up the chain of command.

Computer specialists like Teixeira "require system access to perform system maintenance, but do not require access to intelligence content or products to maintain the system," the report concluded. "Evidence indicates a lack of understanding of the need to know concept due to inconsistent guidance on the topic."

The report doesn't name those who were disciplined but lists their ranks—between staff sergeant and colonel.

The report also concluded that Teixeira may have been releasing classified information as early as January 2022, nearly a year earlier than officials had originally stated.

The recent indictment includes six counts accusing Teixeira of willful retention and transmission of national-defense information. He has pleaded not guilty.

Key Iowa Poll Shows Trump Up by 32 Points

BY JOHN MCCORMICK

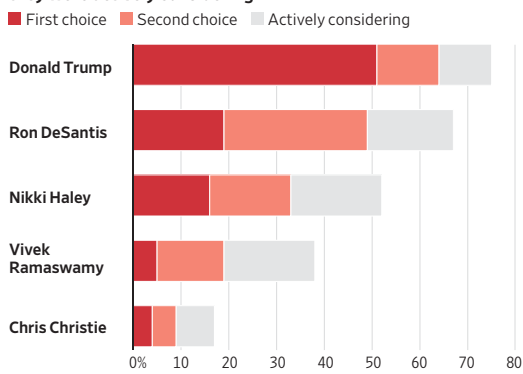
Former President Donald Trump holds a 32-percentage-point lead over his nearest rival, Florida Gov. Ron DeSantis, in the state that will hold the first Republican presidential nominating contest in just over a month, according to an Iowa poll released Monday.

The survey shows 51% of likely GOP caucus-goers say Trump is their first choice out of seven candidates tested, while 19% pick DeSantis and 16% select former South Carolina Gov. Nikki Haley.

They are followed by entrepreneur Vivek Ramaswamy at 5% and former New Jersey Gov. Chris Christie at 4%, while all others received 1% or less.

The numbers show Trump building a lead ahead of the Jan. 15 Iowa caucuses, while

Likely Republican caucus-goers in Iowa were asked first choice for president, second choice and which other GOP candidates they were actively considering



Source: Iowa Poll, conducted Dec. 2-7 of 502 registered voters in Iowa who say they will definitely or probably attend the 2024 Republican caucuses; margin of error +/-4.4 pct. pts.

his challengers are barely moving or stalled. He gained 8 percentage points since the

last Iowa poll in late October, while DeSantis added 3 points and Haley was unchanged.

Haley has drawn the most attention lately, including from rivals in last week's debate. Her polling is stronger in New Hampshire, which has a more moderate electorate and holds the first primary eight days after Iowa's contest.

The Iowa poll, the most closely watched in the state, is led by the Des Moines Register newspaper. NBC News and cable TV provider Mediacom are also sponsors ahead of the 2024 caucuses.

While Iowa caucus campaigns are known for shifts in the final weeks before balloting, a major realignment would be needed to topple Trump from his lead. The survey shows 49% say their minds are made up, while 46% say they could still be persuaded to support another candidate.

Trump leads with every de-

mographic segment broken out by the poll and 5% have yet to select a first-choice candidate.

The 3 percentage points gained by DeSantis since late October come after he recently completed his goal of visiting all 99 counties in Iowa. Since the last Iowa poll, he also secured the endorsements of the state's GOP governor and a high-profile Christian conservative leader.

The poll, done Dec. 2-7, was conducted ahead of the final flurry of campaigning in Iowa late this month and early next month. That activity will include a debate Jan. 10 in Des Moines.

The survey included 502 registered voters who say they will definitely or probably attend the Republican caucuses and has a margin of error of 4.4 percentage points.

Speaker Insists Ukraine Aid Include Border Measures

BY SIOBHAN HUGHES

WASHINGTON—House Speaker Mike Johnson said Monday he was sticking to his position that any package delivering aid to Kyiv would have to include strict new border-security measures, underscoring the stalemate gripping Congress on the eve of a visit by Ukrainian President Volodymyr Zelensky.

The new House speaker is scheduled to meet with Zelensky on Tuesday as part of a push by Ukraine's president for continued military aid. Republicans and Democrats have been at odds over the national-security package for months, as a rising isolationist and America First wing of the Republican Party gains traction and as public support for a war now almost two years old starts to wane.

"My message to him will be the same as it's been to the president," Johnson (R., La.) told The Wall Street Journal's CEO Council Summit. "This is an important battle for all the

reasons we know, but I don't think it's a radical proposition to say that if we're going to have a national-security supplemental package, it ought to begin with our own national security."

During questions from the audience, former Australian Prime Minister Tony Abbott pressed Johnson to keep the House in session until Congress had provided more money to Ukraine.

"I absolutely take your point about the need to sort out the chaos on the border," Abbott said. "But just because you can't get both things, right, isn't it better to get one thing right? So could I please appeal to you, please don't go out for Christmas without at least giving the Ukrainians what they need."

Johnson reiterated that he had repeatedly tried to engage with the White House about what it would take to win Republican support, but that the Biden administration hadn't addressed GOP concerns. Among other things, more



The speaker says he has tried to engage the White House.

centrist House Republicans have sought clarity on the strategy for winning in Ukraine and clarity about whether a victory would include the recovery of both Crimea, which was annexed by Russia in 2014, and the Don-

bas. Republicans say that the White House hasn't provided such details.

Speaking about former President Donald Trump, the likely 2024 GOP presidential nominee, Johnson also addressed Trump's statement

that he would be a dictator on "Day 1"—specifically to close the border and open more land for oil drilling, both of which suggest an authoritarian approach to a potential second Trump term.

"I think he was kidding," Johnson said, saying he thought that Trump was speaking about using executive orders to achieve policy goals, a tactic used by both Democratic and Republican presidents in recent years. "I don't think he intends to be a dictator and I would not participate in such."

Addressing the controversy surrounding university presidents at Harvard University, the Massachusetts Institute of Technology and the University of Pennsylvania, he said, "If you can't say that the call for the genocide of the Jewish people is a violation of your values and your code of conduct, there's a problem." Pressed on whether the three presidents should leave their jobs, he said, "I think they should, yeah."

Google Loses Antitrust Lawsuit

Continued from Page One it would appeal the decision.

"Android and Google Play provide more choice and openness than any other major mobile platform," said Wilson White, a Google vice president for government affairs and public policy. "We will continue to defend the Android business model and remain deeply committed to our users, partners and the

broader Android ecosystem." U.S. District Judge James Donato is to decide next year what remedies Epic will be awarded. The parties are scheduled to reconvene in January.

In the original lawsuit, Epic said it wasn't seeking monetary damages or favorable treatment from Google. Instead, it wanted Google to have to make its Android ecosystem more open and competitive, though it didn't provide specifics. It is unclear what that will look like.

"It's a big deal that a jury is saying, 'Yes, Google has a monopoly and it has illegally maintained a monopoly,'" said Lee Hepner, a lawyer for the American Economic Liberties Project, an anti-monopoly group. "A jury was readily able

to call a spade a spade."

Though the Play Store brings in a relatively small chunk of revenue at Alphabet, the marketplace anchors a package of services the company licenses to Android-device manufacturers that play a key role promoting its cash-cow search engine.

Google's app store, called the Play Store, made \$12 billion in operating profits in 2021, with margins of over 70%, according to evidence Epic presented at trial. Google CEO Sundar Pichai said during his testimony that the figures didn't account for Android's research and development costs.

Google and the Justice Department last month wrapped up witness questioning in the case focusing on its search en-

gine. Closing arguments in that case are scheduled for May. Google also faces a Justice Department lawsuit targeting its ad-tech business that is expected to go to trial next year.

Epic's case centered on Google's dominant position in the market for apps on mobile devices running the company's Android software—and the fees it charges for developers on its Play Store.

The game developer in 2020 began encouraging "Fortnite" players to pay Epic directly for purchases of in-game items, rather than using systems developed by Google and Apple. Both tech giants kicked Fortnite out of their app stores. Epic then filed lawsuits against them.

"If you are a smartphone

maker, if you want an operating system, your only choice is Google," Gary Bornstein, a lawyer for Epic, said in closing statements Monday. "This gives Google tremendous power."

According to testimony during the trial, Google had deleted some employee chat logs that might have included information relevant to the case. The judge told the jury to assume that the deleted information wouldn't have been favorable to Google.

In the lawsuit against Apple, Epic lost on several claims, though the game developer convinced a judge that the phone maker should loosen restrictions on payments through its app store.

Google previously settled with Match Group, owner of

the Tinder dating app, and a group of states that sued the tech giant alongside Epic.

The Epic trial provided a rare look into Google's maneuverings in the Android-software ecosystem, the most widely used on mobile devices worldwide.

Epic tried to show that Google used agreements with companies such as Samsung to prevent competing app stores from gaining traction on Android phones, allowing it to squeeze developers.

Google argued the agreements helped it compete with Apple and that its payment policies were in line with the rest of the market. "The law does not require the Play Store to give away its services for free," Jonathan Kravis, a Google lawyer, said in closing statements.



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U.S. NEWS

Penn Donors Fueled Exit Of Leader

Continued from Page One
tions with more than a dozen current and former trustees and longtime university donors.

Magill, a North Dakota native and constitutional-law scholar who clerked for Supreme Court Justice Ruth Bader Ginsberg and worked at Stanford University and the University of Virginia, took over as Penn's president in July 2022.

The beginning of the end for Magill came this summer, when ads went out for the Palestine Writes Literature Festival, billed as a celebration of Palestinian writers and artists and set to take place on campus. Cosmetics tycoon Ronald Lauder, who has a university degree program named after him and is president of the World Jewish Congress, visited Philadelphia to relay his concerns to Magill about speakers at the event espousing antisemitic views. In two follow-up calls, he urged her to cancel the festival.

Wharton faction

Alumni hold views across the political spectrum. An important faction is associated with the Wharton School, one of the top business programs in the country. Each school within the university has an advisory board, and then the university has a formal board of trustees. That universitywide board has roughly 50 members, but the center of power is its executive committee.

Marc Rowan, CEO of Apollo Global Management, who had given Wharton more than \$50 million over the years, helped organize an open letter expressing concerns about the festival's content. Rowan left the Penn board this year when he became chair of the UJA-Federation of New York, a Jewish philanthropy, but remained chair of Wharton's board of advisers.

Investor Ross Stevens and a few current and former trustees signed on. Eventually, over 4,000 others signed the letter too. Top school officials released a statement condemning antisemitism ahead of the festival, but allowed it to proceed.

"It was weird they had this platform to criticize an event," said history and sociology of science professor Harun Kucuk, who at the time ran the university's Middle East Center, which supported the festival.

The fight over the festival caused a rift within the board. Bok asked trustees why they had signed the letter against the festival, and asked the ones currently on the board to consider if they could continue to serve, given their public disapproval of the school's leadership decisions.

One trustee put the public spat in a corporate context: "It's like running a proxy fight against your own company."



Apollo CEO Marc Rowan, below, played a key role in triggering the resignation of Penn President Liz Magill over the weekend.

The conflict might have fizzled out. But on Oct. 7, Hamas attacked Israel. Three days later, Magill released a statement that called the assault "horrific" but didn't explicitly condemn Hamas as a terrorist organization. Rowan called the statement inadequate and urged Bok and Magill to step down.

Bok and Rowan met for an awkward breakfast at the Peninsula Hotel in New York the following morning. Rowan then headed to the CNBC studios, where he again called for Bok and Magill to be fired. "Microaggressions are condemned with extreme moral outrage and yet violence, particularly violence against Jews, antisemitism, seems to have found a place of tolerance on the campus," Rowan said on the air.

Other big donors promised to close their checkbooks to Penn, including diplomat Jon Huntsman Jr., TV producer Dick Wolf and Lauder. Rowan started sending daily emails at 7 a.m. to the entire Penn board of trustees, typically forwarding messages from angry alumni. The board remained firmly behind Magill and Bok.

Meanwhile, students on campus arranged walkouts, staged a rally outside a board meeting, and donned kaffiyehs to mark their support for the Palestinian cause. A group of Penn staffers received emails that threatened violence against members of the Jewish community, which the school said was reported to the FBI as a potential hate crime.

Kucuk, the history professor, resigned from the Middle East Center after he helped a left-leaning Jewish student group book a room to show a film about American Jews who become sympathetic to Palestinians and the university tried to postpone the screening for security reasons.

Wharton's board of advisers—whose members include top executives at Blackstone,



McKinsey & Co., Moelis & Co. and Related Cos.—started taking a more activist role in mid-November. Some members also serve on the main board of trustees.

The agenda for a regularly scheduled board meeting Nov. 16 initially included a conversation about artificial intelligence. According to a person in attendance, Wharton Dean Erika James ticked off examples of the reputational damage the Magill saga was taking on the school: hundreds of negative media mentions, unknown impact on applications, a 28% decline in giving that would result in \$100 million in lost donations within five years.

The board tried to proceed quietly, sending letters privately to trustees and Magill.

In November, the Wharton group suggested a change in leadership and encouraged the university board to update Penn's code of conduct to explicitly state that it would discipline students, faculty and employees who "celebrate or advocate for the murder, killing, genocide, or annihilation of any individual classmate or any group of individuals in our community."

Last Tuesday, one trustee watched the House Committee on Education and the Workforce hearing in the morning, then turned back to work in

earnest when, after four hours of testimony, the committee recessed to take some House votes. The fireworks hadn't even started.

Rep. Elise Stefanik, a high-ranking Republican from New York, directed a seemingly simple question to all three presidents who testified that day—Claudine Gay of Harvard University, Sally Kornbluth of the Massachusetts Institute of Technology and Magill. They all gave similar answers.

"Does calling for the genocide of Jews violate Penn's rules or code of conduct?" she asked.

Magill said it could be, depending upon if it turns into harassment.

"It's a context-dependent decision? That's your testimony today, calling for the genocide of Jews is dependent upon the context? That is not bullying or harassment? This is the easiest question to answer yes, Ms. Magill," Stefanik said.

University trustees and members of the Wharton board began trading stunned messages. A day after the testimony, the Wharton board drafted a letter to Magill.

Again, they privately called for a change in leadership. Most wanted Bok to go, but they were more split on Magill's fate, said a person familiar with the conversations.

Pressure Builds on Harvard President

BY DOUGLAS BELKIN
AND MATT BARNUM

Pressure continued to mount Monday on Harvard University President Claudine Gay, with critics calling for her resignation following comments she made last week before Congress about antisemitism on campus.

A letter signed by hundreds of alumni as well as some students and a few dozen faculty and staff has called for Gay to step down. The letter says Gay "selectively applies the principles of free speech to protect certain groups over others."

A statement in support of Gay was also gathering momentum. In a separate letter, more than 700 faculty said they opposed her ouster as of Monday afternoon.

The governing board at Harvard University was scheduled to meet Monday to discuss calls for removing Gay. As of Monday evening, details on the meeting were unclear.

The developments at Harvard came in the wake of the resignation of University of Pennsylvania President Liz Magill on Saturday. Both women, along with the president of the Massachusetts Institute of Technology, drew criticism for their responses to Washington lawmakers during a five-hour hearing.

At the hearing, when asked by New York Republican Elise Stefanik whether "calling for the genocide of Jews violate Harvard's rules of bullying and harassment, yes or no?" Gay demurred, saying the answer depended on the context. On Dec. 8, 74 members of Congress signed a letter urging the schools to remove all three presidents.

Harvard alumni and donors—including Bill Ackman, a billionaire hedge fund chief executive—have expressed their frustration with Gay's conduct. On Sunday, Ackman said in a letter to the school's governing body: "As a result of President Gay's failure to enforce Harvard's own rules, Jewish students, faculty and others are fearful for their own safety as even the physical abuse of students remains unpunished."

The letter of support called for the Harvard Corporation Board to rebuff those efforts.

A Harvard representative didn't respond to a request for comment.

Gay was widely criticized for her response to the immediate aftermath of the Oct. 7 attack by Hamas on Israel, and again last week after she appeared to equivocate when asked at the House hearing if calling for the genocide of Jews was protected speech on campus.

Gay, the university's first Black president, apologized to the Harvard Crimson student newspaper last week for her remarks. "I am sorry," Gay told the Crimson. "Words matter."

Tweens Are Trying Out Face Cream

Continued from Page One

tween the ages of nine to about 14, have long experimented with mascara, lipstick, or whatever else they can get from moms and older sisters. But more recently, preteen girls have become enamored with skin care, from devising elaborate routines of layering on creams to researching which acids do what.

Tweens who haven't even had their first pimple yet are asking parents to buy them presents from buzzy beauty brands, and are calling out complex ingredients. "She is pronouncing words that I don't even know," said Abbie Geisel, Charlotte's mom.

Tweens say they are choosing their holiday picks directly from Instagram and TikTok, where content creators, many who are also in their teens, post videos of themselves lathering their faces with foamy soap and dripping goopy serums down their cheekbones. Tweens covet \$24

colorful lip masks from L'Oréal, \$29 fruity face mists from Glow Recipe, \$62 whipped moisturizers from Drunk Elephant and \$28 cooling water serums from Milk.

"I try to focus on niacinamide and hydrating ingredients," said Nikki Avila, an 11-year-old in Miami who likes to use Clarins. Nikki said she was hoping someone in her family would buy her a holiday skin-care advent calendar. "Manifestation is key, obviously," she said. (Nikki's mother, Cristiane Avila, said she didn't get her daughter the calendar because Nikki had just bought some skin-care products with allowance money.)

Tweens also learn about products from school friends and summer camp. "The other week my daughter went to a sleepover with a duffel bag, and it was just filled with skin care," said Laurie Kleid, 41, who lives in Teaneck, N.J., and is mom to 11-year-old Olivia. "When I was 11, I probably made mixtapes and watched TV at a sleepover. We did not care about moisturizer."

Olivia said she likes to make a nighttime "smoothie" with her products, mixing two Drunk Elephant moisturizers with a Glow Recipe plumping cream before bed. Olivia said she's hoping for \$38 bronzing



Drunk Elephant's Lala Retro Whipped Cream. Preteen girls have become enamored with skin care.

drops and a \$34 watermelon toner for Hanukkah, or for Sephora gift cards.

"If it's not trendy, I won't buy it," she said.

At Ulta Beauty, chief merchandising officer Monica Arnaudo said skin care is now the strongest category for tweens, even ahead of makeup. "Gen Z as well as the Alphas are getting into skin care earlier than other generations," said Arnaudo.

Hennie Barnes, a 10-year-old living in Essex, U.K., made a PowerPoint presentation for her family to learn about her holiday skin-care picks. Barnes is hoping for Drunk El-

ephant's B-hydra serum, as well as the brand's Lippe balm, among other beauty picks. "Hydrating serums make you look really glowing and some of them prevent wrinkles and lines," Hennie said, noting that if she learns something is meant as an anti-aging product, she'll give it to her mom.

In New York City, Brielle Corwick, a 12-year-old Upper East Sider, has a 45-minute skin care routine she does many mornings—cleanser, hyaluronic acid, moisturizer, a mix of glowing drops, all sealed with a serum. She hopes Hanukkah will help her

score new skin care to experiment with, such as a Kosas serum with collagen. She said some of her friends trade skin-care products, but she prefers hers unused: "I think that's gross," she said about sharing. "People put their fingers in it."

Shai Eisenman, the founder and CEO of Bubble Skincare, said her company chose its brightly-colored packaging after running focus groups with teenagers. The company also has about 2,000 tween ambassadors, ages 13 and 14 years old, who promote Bubble Skincare online and earn a commission. Tweens must obtain parental permission, Eisenman said. "For us, the 13 and up is a massive part of our community and audience," said Eisenman. "They test the products with their friends, they let them try it and share it. You don't see that kind of testing and sharing amongst adults."

Tiffany Masterson, founder of Drunk Elephant, which sells \$64 eye creams and \$90 night serums, said some products aren't meant for tweens because they have active ingredients, including retinol, a vitamin A ingredient that isn't recommended for kids. Masterson said she has encountered angry comments online from adults who don't like

that their kids use Drunk Elephant. She said the brand tries to educate young customers on social media about which products they should and shouldn't use.

Some moms say they're torn about buying their tweens skin care. Cristiane Avila, the mother of Nikki, said she wants her daughter to enjoy her childhood and is worried some products might hurt her skin. But she recognizes Nikki enjoys skin care and said she would rather buy it for her daughter so she can monitor the ingredients. Laurie Kleid said she warns Olivia against focusing on perfect skin but believes her daughter is more interested in skin care for fun, and not for vanity—although Olivia's interest has inspired her to take better care of her own skin, she said.

Eleven-year-old Charlotte said she's not worried about harsh products hurting her skin because she's experimented with putting toothpaste and hand lotion on her face to see if either causes adverse reactions, and so far so good. She added that she learns from TikTok which products to stay away from.

"I know that I don't need retinol," she said. "I probably won't need retinol until I'm 40."

CLAUDE BARRETT/GETTY IMAGES FOR DRUNK ELEPHANT

U.S. NEWS

Hate Crimes Increase Since Crisis in Mideast

By ERIN AILWORTH AND JON KAMP

Shots fired in the parking lot of a synagogue in New York state. A 6-year-old Palestinian-American boy fatally stabbed outside Chicago. Violent assaults on people in religious and cultural attire.

Preliminary data from major cities show that in the 32-year-history of tracking these numbers, the U.S. this year will likely top the prior national record for reported anti-semitic incidents, 1,140 in 1993, said Brian Levin, founder of the Center for the Study of Hate and Extremism at California State University, San Bernardino. And hate crimes against Muslims are on track to hit their highest level since 2016, when there were 310, he said. That marked the second worst year, behind 2001.

Police in major cities including Los Angeles, New York, Chicago and San Francisco have seen a rise in reports of hateful events, including hate crimes, after the Oct. 7 Hamas attack on Israel and the nation's subsequent military campaign in Gaza. Jews are often on the receiving end, according to cities that have broken down data, while reported attacks on Muslims—which include some of the most violent instances reported recently—are also on the rise.

“What I think we’re seeing here is a tectonic shift in what’s going on with hate crime, and it’s not going to get better,” Levin said.

Many cities are showing increases both from a year ago and since the period immediately before the Hamas attack in Israel. Jumps around big events like the Middle East conflict are common, as are seasonal bumps around religious holidays or celebrations such as Pride Week.

New York City has seen a significant increase in recent months, including a combined 131 antisemitic incidents in October and November, nearly



A memorial in front of the Plainfield Township, Ill., home where a 6-year-old Palestinian-American boy was stabbed to death.

Burlington, Vt., have asked authorities to investigate the shooting as a hate crime. Police arrested Jason J. Eaton, 48, who has pleaded not guilty to multiple charges. Police said two of the three men, who are of Palestinian descent, were wearing traditional Palestinian scarves at the time.

“It’s a hateful crime,” said Elizabeth Price, whose 20-year-old son, Hisham Awartani, no longer has use of his legs and was moved to a rehabilitation facility in early December.

“What he did to these boys dehumanized them,” Price said, regarding the shooter.

Federal authorities opened a hate-crimes investigation following the fatal stabbing of 6-year-old Wadea Al-Fayoume in Plainfield Township, southwest of Chicago, in October. His mother was also injured in the attack. Joseph Czuba, a 72-year-old Illinois man, is being held on multiple charges from a local prosecutor, including hate crimes. He has pleaded not guilty.

In San Francisco, graffiti and shattered windows in October caused a nearly month-long shutdown of Smitten, an ice cream shop in the city’s Mission District. Graffiti included the misspelled “Free Palestien,” said Smitten founder Robyn Sue Fisher, who is Jewish.

“I’ve gone through a range of emotions,” the 44-year-old said. “Am I safe, is my family safe? Because it felt so targeted.”

Anti-Muslim graffiti in October was also jarring for members of the United Muslim Islamic Center mosque in South Philadelphia. “You feel violated, and you feel shocked, but you’re not surprised,” said Qasim Rashad, the president there.

Fisher and Rashad said they received affirming outpourings of public support. This included more than 850 donations helping to raise more than \$110,000 on a GoFundMe effort.

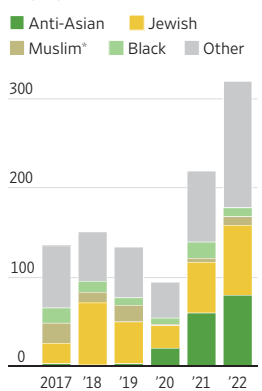
double the number counted in those months last year. Hate-motivated incidents targeting Muslims there also increased, to a 15 total in October and November from none during the same period last year, according to police data. Reported incidents there against Black people are also up in recent months.

Among recently reported incidents, police said they were looking for a man responsible for an attack on and robbery of a 40-year-old Jewish man last week. Police said the attacker made an anti-Jewish statement while stealing a cellphone and punching the victim in the head, sending him to the hospital. The victim was wearing traditional Jewish attire.

Also last week, Albany, N.Y., police arrested a 28-year-old man after they said he fired a shotgun outside the city’s Temple Israel synagogue. The man said “Free Palestine” as he was taken into custody, Police Chief Eric Hawkins said. No one was injured.

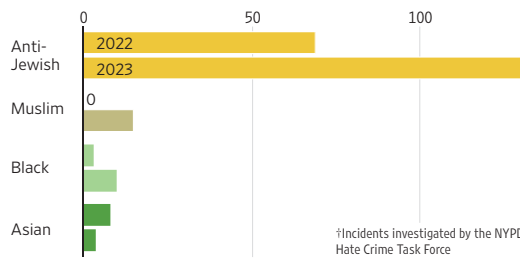
Hawkins said the incident

Hate-crime arrests in New York City, by select bias motive



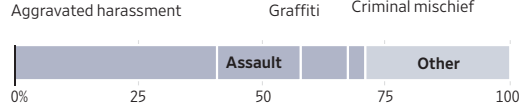
*Includes Arabs #Through Dec. 3 Source: New York City Police Department

Bias incidents¹, October–November of each year, by motive



¹Incidents investigated by the NYPD Hate Crime Task Force

Hate-crime complaints in NYC this year¹, by type



was being investigated as a hate crime, and Gov. Kathy Hochul said state police were adding patrols at houses of worship. Federal authorities charged the man with unlawful firearm possession.

The number of hate-motivated incidents is almost always worse than official sta-

tistics reflect because such attacks often go unreported, said Brendan Lantz, director of the Hate Crime Research and Policy Institute at Florida State University. This is particularly true when attacks are perpetrated against members of already marginalized groups who are less likely to call po-

lice. The hate crimes reported to police since the start of October, many of which are still under investigation, include property vandalism, aggravated harassment, physical assault and murder. The families of three college students shot last month in

Majority of Americans Back Israel in War, WSJ Poll Finds

By SABRINA SIDDIQUI

WASHINGTON—U.S. public opinion remains favorable toward Israel in its war with Hamas, but just over a third of Americans say they are equally sympathetic to both the Israeli and Palestinian people, a new Wall Street Journal poll finds.

Fifty-five percent of those polled said they believe Israel is taking the military action needed to defend itself and prevent another attack by Hamas, compared with 25% of respondents who said Israel’s military action is disproportionate and going too far.

In terms of attitudes toward the conflict, some 42% of voters said they sympathized more with the Israeli people, compared with 12% who said the same of the Palestinian people. U.S. attitudes on the conflict reflect partisan and generational divides, as fighting enters its third month.

President Biden received low marks for his response to the war, with 37% of those polled saying they approved of his handling of the conflict, compared with 52% of people who disapproved.

The poll mirrored some of the heightened tensions across the country. A wave of pro-Palestinian protests has swept college campuses and major cities, resulting in counterprotests and a contentious debate over free speech.

Age and party affiliation were factors when it came to sentiment toward Israelis and Palestinians, the Journal poll found. Nearly a quarter of Democrats said they were more sympathetic to Palestinians, compared with 17% who said they sympathized more with the Israeli people. Just under half said they were equally sympathetic to both.

By contrast, more than two-thirds of Republicans said they were more sympathetic to Israelis, compared with 2% who sympathized more with the Palestinians and 17% who said they sympathized with both groups.

Just over a third of independents said they were more sympathetic to Israelis, while 11% said they were more sympathetic to Palestinians, and about a third said they sympathized with both.

Undecided voters were more likely to say that the U.S. is doing too much for the Israeli government and too little for Palestinians.

President Biden has staunchly backed Israel throughout the conflict, drawing backlash from Muslim and Arab-American voters, as well as progressives. While his stance is consistent with decades of bipartisan support for Israel, the poll suggests the president also risks alienating younger Democrats who are increasingly sympathetic to Palestinians.

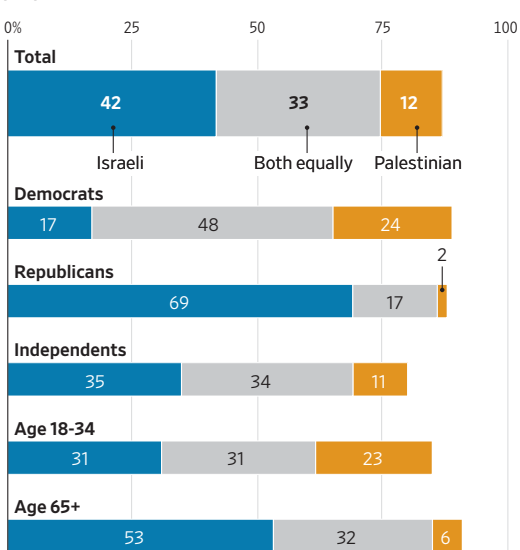
Democrats under the age of 50 said they have more sympathy with the Palestinians by a margin of 35% to 13%, while Democrats over 50 sympathized more with Israelis by a margin of 22% to 12%.

“There is a schism between younger Democrats and older Democrats in where their sympathies lie,” said Republican pollster Tony Fabrizio, who conducted the survey with Democratic pollster Michael Bocian. “It has the potential to become a modern-day Vietnam for the Democrats.”

Voters were generally split on whether the U.S. is doing too much or too little to support the Israelis and to support the Palestinians. A little more than a fifth of people said the U.S. is doing too much to support the Israeli people, while a quarter said the U.S. is doing too little, and just over a third said the U.S. is doing about the right amount.

When asked about the Palestinian people, 21% of respondents said the U.S. is doing too much to support them, compared with about a fourth who said the U.S. is doing too little, and just under a third who said the Palestinians have received the right amount of support from the U.S.

Do you sympathize more with the Israeli or the Palestinian people in their conflict, or with both the same?



Note: Doesn't include those that responded "neither," "don't know" or refused to answer. Source: Wall Street Journal survey of 1,500 registered voters, conducted Nov. 29 - Dec. 4, 2023, by cellphone, landline and text-to-web; margin of error +/- 2.5 pct. pts.

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WORLD NEWS

Security Fears Spur Israelis To Buy Guns

Hamas attacks have led citizens to boost their stash of arms for self-protection

By MARGHERITA STANCATI

GIV'AT ADA, Israel—Since the Oct. 7 attacks in southern Israel, Liran Kaminer has been sleeping with an ax, a knife and a first-aid kit within arm's reach. He has stashed away empty beer bottles and gasoline for Molotov cocktails. And he has applied for a gun license.

"I am a hippie. I am peaceful, I don't like this whole gun thing," said Kaminer, who lives in central Israel. "But if the army cannot protect me, I have to protect myself."

Many Israelis who never thought about owning a weapon are now applying for one. Israel's right-wing government is encouraging civilians to arm themselves and relaxing rules to make it easier to own a gun. Nationwide, volunteers are forming self-defense units after the Hamas attacks took the army by surprise and left civilians helpless for hours.

Applications for a gun license have gone up 600% since the attack, a huge increase in a country where there are strict gun-control laws.

"Weapons in the right hands save lives," said Itamar Ben-Gvir, the country's minister of national security, who has made the arming of Israeli Jews his flagship policy. Recently, he took part in the distribution of rifles to Israeli settlers in the occupied West Bank, where violence against Palestinians has surged.

The rise in gun-license applications also is raising concerns among some Israelis that the widespread arming of civilians could have dangerous con-

sequences. On Nov. 30, an Israeli civilian used his personal weapon to shoot at Hamas militants who opened fire at passersby at a bus stop in Jerusalem, only to be shot and killed himself when Israeli forces mistook him for an attacker.

"We cannot give weapons to everyone. Just look at what is happening in the U.S. where weapons are given out very easily...We don't want to get into that situation," said Yosef Sebdon, a retired brigadier general in the Israeli police. "I am very worried that innocent people will be killed."

There is no right to carry a gun in Israel. Civilians qualify for a weapon only if they can prove they need a gun for security—if they live or work in border areas, for instance. According to a 2017 Small Arms Survey, a program of the Geneva Graduate Institute, there were about seven firearms for every 100 civilians, compared with roughly 120 for every 100 people in the U.S.

Since Oct. 7, the government has relaxed gun-ownership rules, sped up the application process for new licenses and supplied military-style rifles to new, rapid-response units staffed by local volunteers. It also has expanded the criteria for who can carry private firearms, including residents in additional geographical areas and people who got basic-combat military training.

According to government data, more than 265,000 Israelis applied for a gun license between Oct. 7 and early December, compared with about 36,000 earlier in the year. Around 85,000 licenses and conditional permits have been issued in the recent period.

Opponents of relaxing gun-control laws say it risks fueling violence between the coun-



Left, Liran Kaminer keeps weapons by his bed; above, Elad Portal, right, training with a neighborhood self-defense unit he organized.

try's Jewish and Arab citizens, whose relationship is tense.

"These guns are not going to be used against Hamas, they are not going to the front line," said Mohammad Darawsh, director of strategy at the Givat Haviva Center for Shared Society, which promotes Jewish-Arab coexistence. "Jewish citizens will be armed and on the other end there will be Arab citizens. That is a very scary thing."

In the West Bank, the risk of confrontation is higher still. Since the outbreak of the war in Gaza, attacks by armed Israeli settlers against West Bank Palestinians have intensified, forcing over 1,000 Palestinians to flee their villages, the United Nations said.

The U.S. is stalling on the delivery of 24,000 rifles requested by Israel over concerns they could end up with settlers

or with new local rapid-response units. The Biden administration is seeking further assurances from Israel about how the guns would be used.

On Oct. 7, Elad Portal sent WhatsApp messages to friends and acquaintances to find volunteers to establish a rapid-response unit in the city of Hadera. Recently, 10 of his neighbors gathered for a training session. "Pay attention to

the firing line, don't endanger friends!" said the instructor, a former member of the Israeli military's special forces.

In Kibbutz Regavim, keeping residents safe became the priority after the Hamas attacks. About 30 residents volunteered to set up a rapid-response unit, whose members staff the entrance gate and go on patrols.

"People felt that what happened in the kibbutzim in the south could happen to our kibbutz, and started getting weapons," said Shahar Butbul, a resident who helped set up the armed unit. Members are mostly men who have completed their mandatory military service and reserve duty, such as 66-year-old Eyal Nabet.

"Suddenly, after many years, we have to turn into soldiers, and it's hard work," said Nabet, who was born and raised in Regavim and fought in three wars in his youth. "It's lucky that I can still run."

—Ari Flanzraich and Shoshanna Solomon contributed to this article.

Israel Gives Warning to Hezbollah

Continued from Page One

While the Israeli military's main focus is on the war in the Gaza Strip, it has dispatched tens of thousands of soldiers to the northern border. Local security officials say there are 100,000 Israeli forces along the northern border.

At the same time, Hezbollah has massed much of its elite

Radwan fighting force on the border, Israeli officials said. And it has used new weapons, including Burkan short-range rockets, which can carry more than 1,000 pounds of explosive material, and caused considerable damage to an Israeli military outpost in November, some analysts said.

Hezbollah has fired only a handful of the new missiles, rather than risk an escalation in fighting, said Yehoshua Kalinsky, a weapons-systems researcher at the Tel Aviv-based Institute for National Security Studies.

Burkan rockets are part of Hezbollah's expanded arsenal of an estimated 150,000 mis-

siles, about 10 times the number of Hamas's estimated supply when it carried out its attack on Israel.

Hezbollah possesses a number of sophisticated, GPS-guided weapons capable of striking the entirety of Israeli territory. Among their holdings, Kalinsky said, Hezbollah has a number of accurate, heavy-payload Scud missiles, as well as a version of the Syrian-made Tishreen missile, both capable of doing extensive damage.

In addition, Hezbollah has greatly expanded its use of Kornet antitank missiles since fighting was renewed in October, now making daily use of the laser-guided munitions, packed with both regular explosive and thermobaric charges and designed to pierce 3 feet of steel, Kalinsky said.

Israeli Defense Minister Yoav Gallant said last week that Israel would be open to a deal with Hezbollah that includes a security buffer along the border, bolstered by "appropriate guarantees" to ensure Hezbollah can't act against Israel from the zone.

Gallant declined to share further details about Israel's minimum requirements for a negotiated solution on its immediate concerns about Hezbollah, but reaffirmed the military's readiness to confront the Lebanese militia if Israel's security fears can't be allayed.

Over the weekend, Tzachi Hanegbi, the head of Israel's National Security Council, said he saw "no other way" than to pursue a military option against Hezbollah if the militant group and its allies don't stop strikes on Israel before Israel wraps up its war with Hamas.

"If Hezbollah agrees to change things through diplomacy, very good," he said on Saturday. "But I don't believe



Israeli artillery fired on Lebanon on Monday, above. At left, Gaza victims of an airstrike on a refugee camp.

enclave. Hospital officials said the medical system was overwhelmed and doctors in northern Gaza called on the International Committee of the Red Cross to help evacuate thousands of people seeking shelter.

More than 17,000 Palestinians have been killed in Gaza, two-thirds of them women and children, Palestinian health authorities said. The figures don't distinguish between militants and civilians.

"It had been a long nightmare," Dr. Hussam Abu Safyia, a pediatrician at Kamal Adwan hospital in the northern Gaza Strip, said in a message pleading for help. "I've seen many colleagues die, and countless children lose their lives needlessly. Evacuation is the only way right now."

The United Arab Emirates organized a trip to Egypt's border with Gaza for members of the U.N. Security Council to highlight the need for a humanitarian cease-fire. Ambassadors attended from eight member states, including the U.K., China and Russia, but not the U.S. or France. The chief of the U.N.'s Palestinian refugee agency, Philippe Lazzarini, called for Israel to allow commercial goods to flow back into Gaza in addition to humanitarian aid.

—Summer Said contributed to this article.

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WORLD NEWS

At COP28, Hopes Dim for Fossil-Fuel Deal

To appease Saudi Arabia, negotiators leading the talks soften draft language

DUBAI—Countries pushing for a United Nations agreement to phase out fossil fuels

By **Matthew Dalton, Sha Hua and Stacy Meichtry**

saw their hopes dim Monday as the United Arab Emirates officials who are leading the talks dropped the idea in the final stretch of the climate conference here.

The U.S., Europe and a handful of nations on the front lines of climate change went into the U.N. conference, known as COP28, pushing for an agreement that would mark a turning point in the

fight against global warming. Their hopes were buoyed by a draft of the agreement circulated late last week that called for “a phaseout of fossil fuels in line with best available science.”

Instead, a new draft by the U.A.E. negotiators says “unabated” fossil-fuel burning—in which carbon-dioxide emissions aren’t captured and stored—could be replaced by a host of other energy technologies. Those include renewables such as wind and solar, nuclear, hydrogen and fossil-fuel-burning in facilities that can capture and store emissions, the draft says.

Negotiators are now set to debate the new text in talks that are expected to stretch through the night. Countries seeking a phaseout vowed to continue pressing their case. The conference is scheduled to end Tuesday.



The latest draft of the conference agreement falls short of the fossil-fuel goals of this protester and dozens of countries.

The new language is geared to bring on board Saudi Arabia and other big fossil-fuel-producing nations that are adamantly opposed to a phaseout. But in bending to that pressure, negotiators from the U.A.E. risk losing support of dozens of countries

that are demanding a phase-out. All of the more than 190 governments must accept U.N. climate agreements for them to be approved.

“What we have seen today is unacceptable,” said John Silk, minister of natural resources and commerce of the

Marshall Islands. “We will not go silently to our watery graves.”

Some of the new text appears close to the U.S.-China agreement that was signed last month in Sunnylands, Calif., and calls for replacing fossil fuels with renewable energy. Some delegates said the Sunnylands agreement might serve as a blueprint for reaching an international consensus for COP28.

But even the Sunnylands agreement showed more ambition than the COP28 draft circulated Monday. The U.S.-China accord calls for all coal, oil and gas to be replaced—abated or not.

“I need all parties to show even more flexibility to get us to the finish line,” said Sultan Al Jaber, the CEO of the U.A.E.’s national oil company, who is also leading the COP28 negotiations. “You know that I

want you to deliver the highest ambition on all items, including on fossil-fuel language.”

Fossil-fuel producers say carbon capture and storage could allow the world to continue burning fossil fuels, though at lower levels than currently. The Biden administration, Europe and a host of countries say the technology should be deployed only for a few industries where fossil fuels are hard to replace, such as steelmaking. Carbon capture and storage is now used in only a few pilot projects around the world and would need to be massively scaled up to make a dent in global emissions, they say.

“The objective must be to eliminate emissions linked to fossil fuels, and for this carbon capture will not save us,” said French energy minister Agnès Pannier-Runacher.

Court Strips Kashmir of Its Autonomy

By **RAJESH ROY AND VIBHUTI AGARWAL**

NEW DELHI—India’s Supreme Court on Monday upheld one of the most controversial decisions of Prime Minister Narendra Modi’s government, the 2019 move to scrap the autonomy accorded to the disputed Himalayan state of Jammu and Kashmir.

When India adopted its constitution after independence from British rule in 1947, it included a provision to grant its only Muslim-majority state—which Pakistan also claims—a special constitutional status that would give it far more say over its affairs than other states.

But the Hindu nationalist movement has long seen the status as encouraging separatist insurgencies in the state, and dividing it from the rest of India. The August 2019 step, which came just months after the ruling Bharatiya Janata Party won a landslide second-term, kept a promise dear to Modi’s supporters.

In a unanimous ruling, a five-member bench of India’s top court, headed by Chief Justice D.Y. Chandrachud, said the government had the right to withdraw the special status, known as Article 370. The court said the status was intended to be a temporary response to wartime conditions—Pakistan and India fought their first war over Kashmir soon after independence. Both countries control parts of Kashmir, but claim it in full.

Kashmiri political parties and others had challenged the step, which saw the government blanket Kashmir with a



A cutout portrait of Indian Prime Minister Narendra Modi seen in Kashmir.

massive security presence and institute a long-running internet blackout. Hundreds of local leaders, intellectuals and journalists were placed under house arrest, and many locals say they continue to face restrictions.

The court also directed the government to move quickly to restore statehood to Jammu and Kashmir, which it lost in 2019, and set a deadline of September 2024 for local elections to take place. The Himalayan region of Ladakh will remain a separate administrative region.

Hailing the court’s judgment on social-media platforms and his WhatsApp channel, Modi said it was a “beacon of hope, a promise of brighter future and a testament to our collective resolve to build a stronger, more united India.”

Kashmiri leaders expressed disappointment over the verdict and said the move left the



*India-administered state Source: Times Atlas of the World (disputed boundaries)

region without basic rights. A former chief minister for the state, Mehbooba Mufti, of the local Peoples Democratic Party, called it “a sad, black day” for Kashmir and for the country.

“The Supreme Court has given the central government a license to do what they want to do,” she said in a telephone interview from Srinagar, Kashmir’s main city.

She said that leaders and workers face threats of being put behind bars if they hold protests, and that she was placed under fresh house arrest ahead of the verdict on Monday morning.

Jammu and Kashmir’s lieutenant governor, Manoj Sinha, disputed that any political leader was under house arrest. “In the entire state of Jammu and Kashmir, neither has anyone been put under house arrest nor arrested due to political reasons. These are baseless rumors,” he said at a press conference on Monday.

The special status that was withdrawn barred Indians from other parts of India from owning property or opening businesses in Kashmir, as a means to help preserve its unique character. The government says that allowing people from other parts of India to move to Kashmir has spurred the local economy.

Record-Low Turnout For Hong Kong Election

By **SELINA CHENG**

HONG KONG—Four years ago, millions of voters streamed to the polls in Hong Kong, riding a wave of political anger after months of failed antigovernment protests to give a landslide victory for pro-democracy candidates in district elections.

On Sunday, with elections now engineered to allow only pro-Beijing candidates, the torrent became more of a trickle. The city saw its worst turnout on record as a little more than a quarter of the city’s registered voters went to cast a vote. More than 70% voted at the last district poll in 2019.

The plunge in participation reflects how people in the city have withdrawn from political affairs since China imposed a national security law in 2020 that has criminalized political dissent, and rewrote election rules to ensure all officials, lawmakers and local district representatives show fealty to Beijing.

Sunday’s 27.5% turnout came despite governmentwide efforts to get voters to the polls, including large-scale advertising campaigns, a free concert, a drone show and official “thank you” cards for everyone who voted.

Just before 2 a.m. local time Monday, Hong Kong’s chief executive John Lee visited a ballot-counting station

inside a secondary school and thanked the more than one million voters who had participated, saying the election cemented the “principle of patriots ruling Hong Kong.” The district councils would no longer be “a platform to reject the Chinese and Hong Kong governments’ administration,” to promote Hong Kong independence and to endanger national security, Lee said as he cast his ballot earlier Sunday.

It was the second time the city broke its record for lowest voter turnout, following the last legislative elections in 2021.

Since the district council system was overhauled to ensure only “patriots” could run, less than 20% of all seats are now directly elected, and all candidates are vetted by the authorities.

The rest are produced from government-appointed committees under the new system.

The low voter turnout reflects the level of public support for the new system and people’s political disengagement, said Kenneth Chan, associate professor in political science at the Hong Kong Baptist University.

Seven people were arrested over the weekend for allegedly trying to disrupt the polls, including three for allegedly reposting online messages suggesting people not vote or to spoil their ballots.

Elections are now engineered to allow only pro-Beijing candidates.

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FROM PAGE ONE

Alarm Over European Militaries

Continued from Page One

engaged America, with its vast military muscle, underpinned the North Atlantic Treaty Organization and defense policy in Europe. The U.S. accounted for nearly 70% of NATO's defense spending last year.

But alarm has grown as America has moved toward a more isolationist stance, and as the understanding of a potential threat to Europe from Russia re-emerges, after nearly two years of fighting in Ukraine.

There is no immediate military danger to Europe from Russia, and Western military and political leaders think that Russia is for now contained by its war of attrition in Ukraine.

But if Russia ultimately wins in Ukraine, few doubt Moscow's capacity to rearm completely within three to four years and cause trouble elsewhere. Russian President Vladimir Putin has for years mourned the loss of a Russian empire that encompassed Ukraine and other Eastern European nations including the Baltics.

Much of Europe's industrial capacity to make weapons has eroded over years of budget cuts, and turning that around is a challenge at a time when most governments face budget constraints amid slow economic growth and aging populations, as well as large political opposition to cutting back on welfare spending to fund defense.

Europe has "systematically demilitarized itself because it didn't need to spend the money," thanks to the lack of an apparent threat and U.S. military dominance around the globe, said Anthony King, a professor of war studies at the University of Warwick.

The Ukraine war has made clear the depth of Europe's problem.

"Although NATO countries' combined economic and industrial might dwarfs that of Russia and its allies, we are allowing ourselves to be outproduced," said Anders Fogh Rasmussen, the former NATO Secretary-General. "Ukraine is now in a war of attrition, if we do not get serious on ammunition production the threat of war will likely come closer to us."

Aid for Ukraine

President Biden has reaffirmed America's steadfast support for NATO and said the alliance was stronger than ever. But former President Donald Trump, running again for the 2024 election, has repeatedly questioned NATO's value. While he endorsed NATO's clause of collective defense, he clashed with NATO leaders over funding and U.S. troop numbers. Leaders of both political parties have long urged Europe to pay more for its own defense.

Efforts to pass new U.S. aid for Ukraine have hit resistance from Republicans in Congress, and fighting in Gaza has pulled U.S. political focus away from Ukraine. The White House has said the U.S. will be unable to continue providing more weapons and equipment to Ukraine if Congress doesn't approve funding by the end of the year.

European nations have pledged billions in aid to Kyiv but have said they face economic constraints and production limits on weapons. If the U.S. pulls back from providing the bulk of aid, Europe doesn't have the stockpiles to make up the difference, nor can it resupply Ukraine and rebuild its own forces at the same time. The head of NATO's military committee, Dutch Adm. Rob Bauer, said this year that Europe could now "see the bottom of the barrel" in terms of what it could offer Ukraine.

The European Union looks unlikely to keep a promise to supply a million desperately needed artillery shells to Kyiv by this spring, achieving only around a third of that so far. North Korea, an impoverished dictatorship with a population of 25 million, has shipped over a million shells to Russia in the same period, according to Western officials and Russian government statements.

Gen. Patrick Sanders, the



Clockwise from top: Britain's Grenadier Guards marched in London Nov. 11; a serviceman cleared snow off a Swedish-made combat vehicle in the Donetsk region of Ukraine last month; South Korean marines during a training exercise last year.



U.K. army's most senior commander, compares this moment in European history to 1937, when the U.K. and its allies debated whether they would ultimately have to face down Hitler. "The lesson from the 1930s is that when the strategic context and the threats begin to increase, and I think that's what we've seen, then you need to begin to prepare for it," he said.

Putin could pressure countries such as Moldova or Georgia, launch sabotage attacks in the Baltics or further bolster Russia's military presence in Kaliningrad, a strategic Russian enclave sandwiched between Poland and Lithuania, said Mark Sedwill, the U.K.'s former national security adviser.

During the Cold War, Europe's conventional forces were far smaller than the Soviet military, so deterrence relied on the threat of a nuclear response should the U.S.S.R. roll across the continent to expand the Iron Curtain. But none of the smaller actions by today's Russia would likely be seen as worth risking nuclear war, so a bigger conventional military deterrence is vital, Sedwill said.

Military spending among NATO countries fell from about 3% of annual economic output during the Cold War to about 1.3% by 2014, according to NATO data. Things began to change after the 2014 Russian invasion of Crimea. In the past decade, EU defense spending rose 20%, according to the European Parliament. Over the same period, Russia and China boosted their defense budgets by almost 300% and close to 600%, respectively.

A militarily weak Europe is a huge shift for a continent that boasted the world's best armed forces from at least the early 1500s to the 1940s. That dominance ended during World War II, when the U.S. and U.S.S.R. emerged as the bigger powers. During the Cold War, European nations on both sides of the Iron Curtain maintained robust armies. The post Cold War peace dividend allowed governments to cut military spending in favor of everything from pensions to healthcare, raising wealth and standards of living but leaving militaries hollowed out.

Germany's army, which at the end of the Cold War had half a million men in West Germany and another 300,000 in East Germany, now has 180,000 personnel. West Germany alone had more than 7,000 battle tanks by the 1980s; reunified Germany now has 200, only half of which are

likely operational, according to government officials. The country's industry can make only about three tanks a month, these officials said.

"The armed forces are lacking in everything," Eva Högl, the parliamentary commissioner for Germany's armed forces, said as she presented the findings of her report earlier this year. German military bases not only lack armaments and ammunition, but functioning toilets and internet, she said.

The Netherlands disbanded its last tank unit in 2011, folding the remaining few into the German army. Conscription across most European countries was scrapped after the Cold War.

Today, Russia, China and India are all ranked as more potent military powers than the U.K., the highest rated European military, while South Korea, Pakistan and Japan are ranked above France, the second-highest rated European power, according to Global Firepower, a website that uses public data to publish an annual ranking of military strength.

South Korea now has a military of equal size—roughly half a million personnel—as the U.K., France and Germany put together, and has a world-class military industry that is helping arm Poland.

In 2014, NATO allies agreed to move toward spending 2% of economic output on defense within a decade. This year, only 11 of NATO's 31 members are expected to hit the target, according to the group.

Within days of the Russian invasion of Ukraine in February 2022, Germany pledged to spend 100 billion euros, or about \$110 billion, on defense in a one-off surge in spending, but only about 60% of that amount is expected to be earmarked by the end of this year.

Wars in Afghanistan and

Iraq, combined with military budget cuts, left most European armies built for counterinsurgency operations and poorly equipped to fight a well-armed foe in a grinding land war, in the style of Ukraine.

Britain invested in lightly armored equipment, such as armored Land Rovers, rather than heavy artillery, as it took on less well equipped enemies. The thinking was "for us, all wars are optional," said Simon Anglim, a military historian at King's College London.

Putin has changed that. Beginning around 2005, he has openly hinted at his aim of recapturing lost parts of the former Soviet Union, such as Armenia and Georgia. That has ratcheted up tension with the West in a way that few expected just over a decade ago.

Poland, Finland and the Baltics—all sharing or near borders with Russia—have moved the fastest to build up their militaries. Poland said it wants to spend more than 4% of its annual economic output on defense next year, almost double what it did in 2022. Poland could have

the strongest conventional forces in Europe in two or three years, said Bence Nemeth, the academic program director of the Advanced Command Staff course at the Defense Academy of the U.K.

Russian spending on national defense will grow to 6% of its economic output next year, from around 3.9% this year, according to Russia's finance ministry. That would be the highest level since the demise of the Soviet Union, economists who track the data said. If the Ukraine war stopped today, it would take Russia three to five years to rebuild enough capac-

Years of budget cuts have eroded Europe's ability to make weapons.



Poland received delivery of South Korean-made self-propelled howitzers in 2022.

stalls its support and Europe runs out of military equipment to give.

"People may say the Russians have taken it on the chin, and we don't need to worry. That's a valid point, but it ignores residual Russian strength," said John Deni, a professor at the U.S. Army War College and an expert on European militaries. "If the Russians present us with a mass problem in Europe, the challenge is, can technology and advanced capabilities do it? And there we see some challenges."

Another major concern is the time needed to get the European defense industrial base to shift gears if the Russia threat grows. "Definitely more money is being spent, but the increased military capability could be years away," says Nan Tian, a senior researcher at the Stockholm International Peace Research Institute, who tracks military global expenditure.

The British army is widely regarded as being run by highly capable soldiers and has among the best special forces in the world.

But defense spending as a share of U.K. GDP halved since the mid-1980s to around 2.2%.

Britain hasn't had a fully deployable armored division since the 1991 Gulf War, Ben Wallace, who was U.K. Secretary of State for Defence until the end of August, said recently to Parliament.

Sanders said the U.K. had taken a risk by allowing stockpiles to dwindle and its industrial base to atrophy. He said he has spent more time in the past year visiting factories than inspecting troops in the field.

Britain announced its biggest increase in defense spending since the Cold War in 2020. But the overall army size is still expected to

shrink to 72,500 full-time troops from a previous target of 82,000. It is replacing its 227 tanks with 148 more-modern versions, but those won't be deployed until 2027. Of its existing 227 tanks, only 157 can be deployed within 30 days and perhaps only 40 are fully functioning and ready to move, military analysts said, as many are in storage or being upgraded.

The U.K. has pledged to ramp up defense spending to 2.5% of GDP, but only when economic conditions allow.

Sanders declined to comment on how much equipment the army could currently deploy. He said the army will get an average of 200 new armored vehicles a year between 2024 and 2028. It will also address the shortfall in ammunition capacity, though he declined to give a timeline. "As the bloke who is responsible, not fast enough," Sanders said.

The Ministry of Defence placed a £410 million, or about \$515 million, order with BAE Systems this year for artillery shells and ammunition to bolster production eightfold. But that production capacity won't be reached for another two years. It also bought 14 Archer artillery systems from Sweden to replace the 32 AS90 long range artillery pieces it handed over to Ukraine, plugging a gap until the U.K.'s own upgraded long range artillery systems arrive in the late 2020s.

The British army's new armored reconnaissance vehicles, called Ajax, show just how long it can take to upgrade a fighting force. This fall, a group of army officers stood in the rain watching as two Ajax vehicles cruised over the muddy plains in southwest England. It was the first time the Ajax was used in a military exercise, 13 years after the army first announced it would purchase them.

Initially ordered at a cost of £5.5 billion to replace aging tracked reconnaissance vehicles used since the 1970s, Ajax, made by the U.K. subsidiary of General Dynamics, had numerous technical problems. During test runs hundreds of soldiers fell physically ill due to the vibration and noise when driving them. The delays were so long that the army had to extend the use of its '70s-era vehicles.

Those problems are now fixed. But the nearly 600 new vehicles won't be fully deployed until the end of 2028. Meanwhile the new high tech communications kit the Ajax is supposed to use is also delayed, perhaps by longer.

—Georgi Kantchev contributed to this article.

'Not fast enough'

For European politicians, spending more on defense is a tough political sell, especially at a time of stagnant economic growth, soaring government borrowing costs and an aging population that will strain government budgets for years.

Once pooled, NATO forces are technologically superior to Russia, some European officials say, though NATO's ability to fight jointly is untested. Ukraine is proof that a smaller but better managed force can challenge a juggernaut like Russia.

Still, military analysts say Ukraine's forces are having trouble dislodging the Russians partly because Russia has advantages in numbers of soldiers and equipment, which could make a difference if the U.S.

Cheap Gadgets Carry Risk of Holiday Fires

Tips on how to vet Christmas tree lights, batteries and electronics to avoid hazards



PERSONAL TECHNOLOGY
NICOLE NGUYEN

Faulty electronics are causing more fires in homes lately. This holiday season, I don't want to give my neighbors the wrong kind of light show, so I sought advice on how to avoid buying potentially dangerous devices.

E-bike and e-scooter battery fires are soaring, particularly in New York, where 17 people have died and dozens have been injured this year.

Other electronics pose risks, too. Nearly half of Christmas-tree fires involve holiday lighting, according to the nonprofit National Fire Protection Association. Counterfeit electronics, many of which had faulty power cords or processors, were among the most-seized goods by U.S. Customs and Border Protection this year.

Chances are, your electronics won't become incendiary devices the moment you plug them in. But safety officials and product testers say that if you buy cheap, low-quality or fake products, you increase your risk of a fire and face other hazards.

Online shopping, while convenient and cost-effective, exacerbates the problem. In marketplaces hosted by Amazon, Walmart and other major retailers, items sold by third-party sellers aren't vetted with the same rigor as merchandise sold directly by the stores. As a result, you have to be extra diligent.

Consider these tips before you add a cheap no-name hoverboard to your cart.

Key phrase: 'Sold by'

When shopping online, find out who is actually selling the product. On Amazon, this info is underneath the big orange Buy Now button, next to "Sold by." Longer-than-usual shipping times can be an indicator that a merchant is small or located in another country. If the product isn't sold by the online platform or the product's own brand, be wary.

"Third-party sellers on online

marketplaces disproportionately sell noncompliant or dangerous electrical goods, compared to electrical products sold by reputable retailers," said David Powell, a technical expert with Electrical Safety First, a U.K.-based nonprofit focused on improving electrical standards.

In one of the organization's tests, a blender that marketed itself as "commercial grade" began smoking within the first 30 seconds of operation. In another, the cover of a portable electric heater easily fell off, exposing the appliance's dangerous heating element.

And it found "waterproof" electrical extensions with no waterproofing properties whatsoever. "That could potentially kill you," Powell said.

Amazon said safety is a priority. "We require all products offered in our store to comply with applicable laws and regulations, and we monitor for product safety concerns," a spokesman said, adding that the company works with law enforcement and regulators to maintain safety.

In Stock

Qty: 1 ▼

Add to Cart

Buy Now

Ships from Amazon.com

Sold by Amazon.com

Returns Returnable until Jan 31, 2024

Support Product support included

See more

Amazon's A-to-Z guarantee covers refunds for defective items from third-party sellers within 90 days of delivery. If you request a return and a seller doesn't authorize the request within 48 hours, Amazon can step in.

For no-name brands, don't be fooled by glowing reviews. Ratings can be manipulated and research shows we're likely to fall for them. Products with only five-star reviews should raise suspicion. In August, Amazon introduced AI-generated summaries of reviews,



▲ Certain categories of products, such as holiday lights, need a special UL holographic sticker to certify authenticity.

◀ Some of the most important information on an Amazon listing—the product's seller—is in the smallest font. You'll find 'Sold by' info underneath the Buy Now button.

which is great for a quick overview. Still, I find it most helpful to scan through the reviews myself. Sorting ratings by most recent can often surface shipping or quality-control issues.

"Walmart has zero tolerance for the sale of products that do not comply with applicable safety regulations," according to a statement provided by a company spokesman.

The company said it uses technology and human teams to vet marketplace sellers and enforce its requirements.

If you're looking at a brand-name product with a too-good-to-

be-true price, try buying it directly from its manufacturer to avoid getting a fake.

Certified for safety

Take a peek at the underside of your brand-name hair dryer or laptop charger. Legitimate appliances and electronics will have a number of different markings, including those indicating safety testing.

Look for a certification label from a nationally recognized testing laboratory, markings such as UL, ETL, CSA or SGS, said Patty Davis, a spokeswoman for the U.S. Consumer Product Safety Commission. These typically appear on packaging or the product itself, which is why it is sometimes easier to assess product quality in person.

Certain kinds of products have a special UL holographic sticker as an extra layer of authenticity, including holiday lights, e-scooters, e-bikes and vapes.

When it comes to e-scooters and other mobility devices, the UL label is particularly important, says the CPSC. A 2022 letter from the agency highlighted a "rise in fires and other thermal events" and urged manufacturers and retailers to adopt UL certification to "significantly reduce the risk of injuries and deaths."

UL Solutions puts devices through a range of testing, said

Michael Sakamoto, a safety specialist at the firm formerly known as Underwriters Laboratories. If a product gets hot, the enclosure should be able to withstand the high temperature. If a device malfunctions, it should shut down. If it is made of plastic, the plastic shouldn't break after a short fall and expose live electronics.

You can look up compliant gadgets online in the UL Product IQ database. (Click "Search abridged site without log in.") But it can be tricky: The UL database requires the manufacturer's name, which is often different from the item's brand name.

On Amazon, you can generally find the manufacturer's name by scrolling down to a listing's product information section, in the lengthy chart titled "technical details."

Some listings don't provide enough information to look up in UL's database, however, so you can't verify their safety. Steer clear of those!

The other important thing to do with the brand and manufacturer info is check if the product has been recalled at cpsc.gov/recalls.

A final piece of advice: Don't succumb to the temptation of secondhand electronic devices on Craigslist or Facebook Marketplace, especially e-bikes and e-scooters. They could include dicey DIY modifications or aftermarket parts, so you're better off buying a certified refurbished product directly from the brand.

Saving a few hundred dollars isn't worth risking your life.

A \$13.99 Snoopy Sparks Gen-Z Craze

BY ASHLEY WONG

When Snoopy first appeared in the "Peanuts" comic strip in 1950, his creator Charles M. Schulz couldn't have guessed that his hand-drawn beagle would spawn one of the hottest toys of 2023.

The latest Gen-Z obsession is a \$13.99 stuffed Snoopy toy wearing a little blue puffer and a striped hat. A CVS exclusive, the toy is sold out at the pharmacy chain's locations all over the country. Online, it's being resold on sites like eBay and Mercari for anywhere between \$40 to \$70. On Reddit, CVS employees swap stories about receiving dozens of daily phone calls asking if they still have the toy in stock. And on TikTok, young consumers are documenting their quests to get their hands on the stuffed beagle.

"I just needed it," said Melissa Mariche, a 22-year-old college student from Madison, N.C.

After seeing a video of the puffer-clad Snoopy on TikTok, she embarked on a weeks-long quest, visiting eight different CVS stores in search of the puffer-clad dog. Employees told her the toys sold out within hours of hitting the shelves. A spokeswoman for CVS

declined to comment on sales numbers and the toy's origins, though Peanuts said CVS ordered a "significant" amount.

Finally, while running an errand in late November, she decided to drop into one more CVS store. There was one Snoopy left. In a TikTok set to the sound of maniacal laughter, she filmed herself snatching the last toy off the shelf.

Peanuts-related products have proliferated in recent years, and now Gen Z has caught the buzz. Snoopymania has manifested in blankets, cups, pajamas, handbags and even merch for the American Red Cross. Earlier this year, a free Snoopy T-shirt the organization offered for anyone who donated blood led to a spike in donations. He's been the main character in many memes.

Melissa Menta, senior vice president of marketing and communications for Peanuts Worldwide, said the official Snoopy TikTok account saw a 71% increase in video views from this year's second quarter to the third, as well as a 223% rise in

engagement with the account. The account also gained nearly 200,000 new followers during that



time. "Gen Z has proven themselves to be dedicated fans and their love of Peanuts on social media continues to grow," she said.

CVS was given an exclusive limited window of time to release their puffer-clad Snoopy, which was designed by the company Ruz, though it's not the first or only time Snoopy has appeared in a puffer on merchandise, Menta said.

"The fact that puffers are so popular with Gen Z made it an obvious choice to incorporate into a plush item," Menta added.

Some consumers said that nostalgia for Snoopy and Peanuts holiday specials drove their interest in the puffer-jacket toy. Many were just excited to be part of a trend.

"Honestly, the hype was exciting," said Isabella Diakomanolis, a 22-year-old stylist in Los Angeles. Diakomanolis grabbed six

Snoopy toys after calling several CVS stores to ask if they were in stock. "I like hunting and finding viral products," said Liv Reese, a 21-year-old TikTok influencer from

Boston. "I feel like it's kind of a challenge. I'm always looking for and going after the next big things." A TikTok she posted offering to give away one of her two puffer-clad Snoopys reached five million views, she said.

"People see that it's hard to get, so they want to get it," she said. Kate Glavan, a 25-year-old TikTok influencer known for documenting Snoopy love on social media, said the competition to get the toy marked a moment in digital history to her. "It's one of those times when you can say, 'I was there, I went out and got this doll while it was happening,'" she said. "It's a symbol that you were online when the Snoopy renaissance was happening."

Glavan started seeing her TikTok feed fill up with clips of Snoopy over the summer. That led her to binge all of "The Snoopy Show," an Apple TV+ series about Snoopy's inner life whose third season premiered in June.

Snoopy took on a new meaning for Glavan after her father died in September, she said. Shortly after that, she started seeing Snoopy everywhere—on the chocolate bars in the hospital cafeteria, for instance, or emblazoned on a flea market tablecloth. Now, her friends send her Snoopy images all the time, and her followers tag her in dozens of Snoopy videos every day.

"Snoopy has become some sort of symbol for connecting with my dad," Glavan said. "I've just seen it so much that it's become this sort of symbol. It's just like a reminder, I suppose, of him and his presence. It has become a real motif in my life now."

FROM TOP: ILLUSTRATION: RACHEL MENDELSON/THE WALL STREET JOURNAL; LISTOCK (4); UL SOLUTIONS

CVS PHARMACY

PERSONAL JOURNAL.



◀ Amaya poses with his wares. Prop money that his company made has appeared in the 'Fast & Furious' series.

Many of Abdelhakeem's customers are teenagers who post pictures and videos of themselves holding up fake cash on social media.

He has come to believe that trying only to get more money is pointless if you don't have a plan for how it would make you happier. "We must use money as a tool in our life, not have the main purpose be to just earn more and more," Abdelhakeem said. Personally, some uses of money that make him happiest are traveling, giving gifts to his wife and donating to charity.

Be aware of the effect money has on people

There is a space in the Atlanta office of RJR Props that workers call the money room.

Along one wall, about 20 feet of shelves hold a buffet of prop money, in stacks, bundles, cubes, rolls and other arrangements.

When outsiders enter the money room, they usually burst out laughing, said Rich "RJ" Rappaport, the company's president. "It creates a very deep emotional reaction from everyone," he said. "Well, except me. I'm ruined."

"You've been around hundreds of millions of dollars in fake money," he explained, "so it just completely loses its sense of wonder."

Rappaport says that being more aware of money's effect could put you in a better mindset for thinking about its place in your life.

He feels rich because he has a spouse, children, a house, a car and food.

"To me, that's everything," he said. Meanwhile, it seems to him like many other people are, in a sense, stuck in the money room, marveling at the stacks.

Printing Fake Cash Made Them Better Money Managers

Financial lessons from the producers of Hollywood prop bills

By JOE PINSKER

Juan Amaya has done hundreds of millions of dollars in cash business—fake dollars, that is.

Amaya runs Prop Movie Money, a business in Miami that makes look-alike bills for film and TV productions. His company's products have starred in the "Fast & Furious" franchise and shows such as "Billions."

Makers of prop money alter visual details such as Benjamin Franklin's portrait to prevent it from being seen as counterfeit currency. Still, the result is pretty convincing.

"There are times where, if I have cash in my pocket and I take it out, I will give it a second look just to make sure it doesn't say 'For motion picture use only' on it," Amaya said.

A million bucks doesn't look like much

Amaya's line of work gives him an unusual vantage point on money—both as an object and a symbol of success. He and his counterparts in the business say that years of handling fake money has changed their approach to the real thing.

Two shoeboxes—that is roughly



how big \$1 million in \$100 bills is when stacked up, Amaya said.

He first learned how puny seven figures can seem when he and his co-workers started the company. They put \$1 million of cash, in fake bills, on a table in the office as an inspiration for their new venture.

"I was a little disappointed," Amaya said. "I remember thinking that a million dollars was going to be from the floor to the ceiling, just covering up a room with money. And that was not the case at all."

He added that being around fake cash all the time made money a less taboo topic of conversation between him and his co-workers. The majority of real dollars

▲ Prop-money makers alter visual details to distinguish their products from U.S. currency. \$1 million of fake cash, seen here, is about the size of two shoeboxes.

aren't physical, and we never get to touch much of what we spend. Money doesn't take up space the way it used to, its size and shape less prominent.

That moment in the office sticks with Amaya years later as a symbol of how the pursuit of riches can leave people feeling let down. His takeaway: Don't obsess over becoming a millionaire, because it won't be as awesome as you imagine.



All money is make believe

Working with fake cash can draw your attention to the fact that money itself is made up, said Amr Abdelhakeem, owner of BuzzProps in Houston. Handle enough prop bills, he said, and even the real stuff starts to look like meaningless paper.

Makers of prop money say that, aside from video productions, their customers include banks that use fake cash for training purposes and relatives of people with dementia who were freely giving out bills from their wallets.

Some people also buy fake money and put it on their desk as something to strive for.

Visualize your budget

Though Amaya, of Prop Movie Money, rarely uses cash to pay for things—he prefers getting rewards from credit cards—he said having a physical representation of his money is a powerful budgeting tool.

Amaya said he and some of his colleagues use their product as a visual aid while working on their personal budgets.

In Amaya's case, he and his fiancée set up stacks of prop money to visualize their monthly expenses, with piles representing groceries and rent.

"Seeing it is far better than just writing it on a notepad or keeping it on a spreadsheet," he said. The exercise has prodded Amaya to put more money into savings each month. When he saw the pile representing their bank accounts, he remembers thinking, "I'd like this to be a little bit taller."

High Yields Turn Baby Boomers Into Bond Buyers

By ANNE TERGESEN

When it comes to the baby boomers' run of investing luck, timing has been on their side.

Decades of stellar stock-market returns produced by a series of bull markets that began in 1982 coincided with boomers' prime working years and made their nest eggs grow.

Their good fortune continues in retirement. The recent surge in interest rates that sent bond yields near a 15-year high is the "single best economic and financial development in 20 years" for retirees, said Joe Davis, global chief economist at Vanguard.

That shift is turning the stock-loving Woodstock generation into bond buyers. With current yields on 10-year U.S. Treasury notes at 4.23%, boomers, ages 59 to 77, have reason to move money into the more conservative investments. The Gen Xers behind them—now around ages 43 to 58—are eyeing those moves, too.

This moment presents new opportunities for investors in or near retirement to use bonds to reduce risk and generate steady income, financial advisers say.

"There was no alternative to

stocks," Roger Rouse, 54, a software engineer from Mequon, Wis., said of the years since the 2008 financial crisis. He and his wife, Deb, 56, who recently retired, had about 75% of their nest egg in stocks earlier this year. Rising bond rates prompted them to move some money from stocks into a ladder of individual Treasury inflation-protected securities, or TIPS, that mature at intervals over 30 years.

The Rouses plan to cover their basic living expenses in retirement with their bond investments. Eventually they will supplement that income with Social Security. The couple now has about 50% in stocks.

Others are paring back on stocks, too. Last year, 45% of Vanguard 401(k) investors over age 55 who actively managed their money held more than 70% of their portfolios in stocks. In 2021, 47% held that much in stocks. This year through Oct. 31, investors overall pulled \$98 billion from stock funds and channeled \$170 billion into fixed-income funds, according to fund tracker Morningstar.

Steady income, less risk

Younger adults should generally have stock-heavy portfolios for one simple reason: returns.

U.S. large-company stocks have delivered an inflation-adjusted annual return of 7.1%, on average, since 1926, compared with 1.8% for U.S. intermediate-term Treasury



bonds, according to Morningstar.

Once workers reach their 50s and 60s, the risks of holding a high percentage in stocks can become harder to tolerate. If the market tumbles, retirees needing cash might have no choice but to sell shares at bargain prices, raising the risk of depleting their savings.

The more investors earn on bonds, the less they need to hold in stocks to meet retirement goals, said Brendan Mullooly, an adviser in Wall Township, N.J.

When bonds were yielding 2%, someone with 40% in bonds who needed a 5% overall return had to earn at least 7% on their stocks, he said. But with bond yields above 4%, as they are now, that same person can hold less than 60% in stocks and still have high odds of earning 5% on the portfolio, Mullooly said.

Bonds vs. dividend stocks

Retirees often seek to generate some or all of the retirement income they need from dividends and interest payments to save at least some of their principal for heirs or unexpected expenses. With the low bond yields of the recent past, some loaded up on dividend-paying stocks to provide money to live on.

Now bonds look like the better bet. "If you want income, I would suggest you get it in fixed income," said David Blanchett, head of retirement research at PGIM, the asset-management arm of Prudential Financial. The yield on the S&P 500 index is around 1.6%.

Stick with high-quality

Some advisers recommend that retirees set aside one to five years of living expenses in cash to avoid

having to sell stocks at depressed prices. But cash didn't earn much.

Now, with three-month Treasury bills yielding nearly 5.4%, "it's easy to make a case for holding cash," said Mullooly.

The juicy short-term yields mean some investors scoff at longer-term bonds yielding just over 4%, said Davis at Vanguard.

But if the Federal Reserve lowers interest rates, as many expect in 2024, the rates on newly issued CDs, money-market funds and short-term Treasury notes might fall, so longer-term products should be in the mix, said Rob Williams, managing director of financial planning at Charles Schwab. He suggests investors consider locking in today's yields by purchasing a ladder of individual Treasury notes that mature over the next one to seven years.

There is always a risk that interest rates could head higher, causing bond prices to fall. But today's high yields would help offset the losses on bond prices.

Right portfolio for retirees

For most investors, bonds should be part of a portfolio that also includes stocks. Most retirees need some stocks to ensure their nest eggs grow over time, said Paul Auslander, a financial planner in Clearwater, Fla., who recommends a 60/40 split for many older investors.

Last year, with stock and bond prices down, some were concerned a traditional 60/40 portfolio mix might no longer be viable. But "the death of the 60/40 portfolio has been greatly exaggerated," Auslander said.

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Hip-Hop Hedging

Nicki Minaj's fifth studio album is a noncommittal collection of songs



Ms. Minaj performing in September; her new record, 'Pink Friday 2,' is out now.

Rapper-singer Nicki Minaj is an artist of considerable talent and undeniable success whose albums have been frustratingly inconsistent. There has always been an uneasy tension in her work between artful displays of rapping skill and big, broad pop with cross-generational appeal. The 41-year-old, born Onika Maraj-Petty in Trinidad and Tobago, first came on the scene in the late 2000s, a high-water period for hip-hop creativity. New tools of distribution enabled by the internet allowed artists who, a few years earlier, would have struggled to break out of their regional scene—in her case, New York, where she moved at age 5—to become legitimate stars among hardcore hip-hop fans even before they had put out a proper record.

In this environment, Ms. Minaj became an underground phenomenon, a virtuosic rhymers who could switch gears between cadences, intonations and characters at lightning speed. Copious features and mixtapes led to her breakout moment, a guest spot on Kanye West's 2010 single "Monster," from his landmark LP "My Beautiful Dark Twisted Fantasy." Her debut album, "Pink Friday," arrived a month later and was a multi-platinum hit that topped the Billboard charts, with songs like "Super Bass" that introduced her chart-pop ambitions. She alternated between radio-friendly turns, like 2012's "Pink Friday: Roman Reloaded," and rapping collections, like 2014's "The Pinkprint." But these records comprised a handful of excellent singles and entirely too much filler. Her fifth LP, "Pink Friday 2" (Young Money/Republic), out now, is a frustrating continuation of this trend.

Though it's billed as a sequel to her 13-year-old commercial breakthrough, the new record has no identifiable angle—it's neither a pop turn nor a rap showcase. Instead, it's an uneven collection of songs that, with its star-studded guests, mostly serves to

reinforce Ms. Minaj's still-significant place in the hip-hop marketplace. Its noncommittal bearing is there from the outset with the opening "Are You

Gone Already," produced by Finneas, best known for his work with his sister, Billie Eilish, whose voice is sampled here. It's a mournful arrangement conveying the sort of teenage bedroom sadness that's become quite popular in the past few years. And it's an awkward fit for Ms. Minaj, not quite suiting her voice as

she raps and sings about the loss of her father.

This long, rather shapeless track begins the album on an uncertain note, and the record struggles to settle into a groove early on. The following "Barbie Dangerous" features an off-the-shelf trap beat and high-speed rhymes from Ms. Minaj, but fails to make much of an impact. The next song, "FTCU," is a slow number that aims for the serpentine grind of early hits by Ms. Minaj like "Beez in the Trap," but the produc-

tion lacks force and purpose. It's not until the fifth track, "Fallin 4 U," that we get our first glimmer of excitement. Over a tense and dramatic production with strings and thunderous bass, Ms. Minaj sounds engaged and animated. The following "Let Me Calm Down," featuring rapper J. Cole, is another early highlight, as Ms. Minaj trades verses over a low-key and breezy beat with another artist who takes the technical details of rap seriously. And the ninth song, "Needle," is a collaboration with Drake that might be the best cut on the record. Drake buzzes with melody on the lengthy chorus, while the airy and syncopated Caribbean groove allows Ms. Minaj to indulge in the phrasing and patois of her roots.

The slinky and hypnotic production on "Needle" is an exception on "Pink Friday 2"—far too many of the arrangements are either dull and anonymous or based on overly familiar samples. "Cowgirl" is built around a plucked acoustic guitar and digital hand-clap beats, yet it has little in the way of dynamics and variety. Yes, Ms. Minaj unleashes impressively fleet rhymes, but the subject matter, mostly terrible puns about sexual positions, doesn't compel repeat listens. Her skills are fully intact, but she doesn't have much to say.

The record's second half is even less inspiring, reaching a nadir with the back-to-back "Pink Friday Girls," which samples Cyndi Lauper's "Girls Just Want to Have Fun," and "Super Freaky Girl," which samples Rick James's "Super Freak." In both cases, the sample is seemingly the only reason the track exists—there's no twist or fresh angle, nothing new added to the familiar hooks. Two bland pop turns, "Last Time I Saw You" and "Just the Memories," close the set on a flat note.

Ms. Minaj remains a hugely popular figure, and she created an archetype for women rappers—over-the-top sexuality combined with tough rhymes and an underlying rapping virtuosity—with two generations of influence at this point. But 13 years since her debut LP, a must-hear full-length album remains elusive.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on X @MarkRichardson.

FROM TOP: NOAM GALA/GETTY IMAGES; CHARLOTTE RUTHERFORD



ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF DECEMBER 12

BY WSJ ARTS IN REVIEW STAFF

Film

"Wonka" (Dec. 15)
Director Paul King ("Paddington") hopes to pull a golden ticket at the box office with this latest adaptation of the Roald Dahl classic. Timothée Chalamet plays the chocolatier in this candy-coated production that also features Keegan-Michael Key, Matt Lucas, Sally Hawkins, Olivia Colman and Hugh Grant as an Oompa-Loompa.

Earth is on a collision course with another planet and humanity is soon to be wiped out, people start to go wild—with the exception of one woman. Martha Kelly leads the voice cast in this adult animation created by Dan Guterma that includes guest appearances by Gillian Jacobs, Danny Pudi, Alison Brie, Stephen Colbert and Tim Heidecker.

"Chicken Run: Dawn of the Nugget" (Netflix, Dec. 15)

Music

Handel's "Messiah" (David Geffen Hall, New York, through Dec. 16)
A longstanding holiday tradition, the New York Philharmonic's presentation of the masterly oratorio is back with Fabio Biondi on the podium.

Mac DeMarco, "One Wayne G" (Dec. 15)

Mac DeMarco might be best known for playing slacker rock, but the 199-track album that he released earlier this year proves that he's anything but lazy. The sprawling work is now being issued in physical form for the first time.

Art

"John Chamberlain: The Tighter They're Wound, the Harder They Unravel" (Aspen Art Museum, Dec. 15-April 7, 2024)
Chamberlain is best known for his crushed-car sculptures, but the work of his 60-year career extended well beyond those, to pieces rendered in more traditional media as well as more avant-garde items such as foil, air ducts and appliances. Curated by the artist Urs Fischer, this survey is the first dedicated to the artist in over a decade.

Last Call "Florencia en el Amazonas" (The Metropolitan Opera, New York, through Dec. 14)
Just the third work in Spanish ever performed at the Met, it is composer Daniel Catán's homage to the magical realism of Gabriel García Márquez. In her review, our critic pointed to the reasons for its widespread popularity: "lush orchestration, ear-pleasing vocal lines, a romantic story."

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



▲ Timothée Chalamet as the charming chocolatier in 'Wonka'

"The Zone of Interest" (Dec. 15)

Martin Amis's chilling novel, about Auschwitz commandant Rudolf Höss and his family building a life in a home adjacent to the concentration camp, gets a big-screen adaptation directed by Jonathan Glazer.

The hit 2000 claymation film from the studio best known for "Wallace and Gromit" gets a sequel that sees the rebellious flock now living in peace until disaster strikes.

"The Family Plan" (Apple TV+, Dec. 15)

Mark Wahlberg plays a mild-mannered car salesman who used to be an assassin in this comedy directed by Simon Cellan Jones. When baddies from his past resurface, he takes his family, including his wife played by Michelle Monaghan, on a road trip to keep them safe.

"Such Brave Girls" (Hulu, Dec. 15)

Kat Sadler, Louise Brealey and Lizzie Davidson star in this sitcom about a vain and desperate family fumbling after its patriarch leaves.

TV "30 for 30: The Minister of Defense" (ESPN, Dec. 13)
Reggie White was one of the best defensive players of all time in the NFL, but his life and career weren't without controversy. This documentary from Ken Rodgers and Courtland Bragg looks at the ups and downs of White's life and career before his death at age 43.

"Carol & The End of the World" (Netflix, Dec. 15)
When news hits that

The WSJ Daily Crossword | Edited by Mike Shenk

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- 27 U-shaped river bend
- 28 Require
- 29 Afghanistan's capital
- 30 CC'ed message, e.g.
- 31 Fish story
- 32 Poker game
- 36 Shelley or Keats
- 37 They have their pluses and minuses
- 42 Some Windows systems
- 43 Is furious about
- 45 Sartre novel
- 46 Canine coat
- 47 Cook cookies, say
- 50 Big event
- 51 WWII general Bradley
- 52 Primordial substance
- 53 Kismet
- 54 Depend
- 55 Crowdsourced review site
- 57 Loudly lament
- 58 Period in history
- 59 Droop
- 60 Springtime egg coating

STREET CRED | By Gary Larson

Across	33 Complain	62 Address the crowd	9 Apiece
1 Voting group	34 Dr.'s org.	63 Comrade in arms	10 Some cigars
5 Man with morals	35 Folder feature	64 Length times width, for a rectangle	11 "Exodus" author
10 Die, say	36 Cruet contents	65 Toastable torus	12 Hay bundle
14 Japanese soup	38 "___ all good"	66 Sort	13 Some lodge members
15 Susceptible	39 Spot for a shot		18 Chicken's reaction
16 Eurasia's ___ Mountains	40 Game with a colorful deck		21 Entices
17 Shrinking violet	41 Effort	Down	23 NBC weekend show
19 Rip off	43 Destroy financially	1 Upscale auto letters	24 Raised, as an anchor
20 Competitions with calves	44 Taking a knee in the end zone, say	2 False witness	25 Yonder thing
21 They form diamonds	48 Dummkopfs	3 Birthplace of NATO secretary general Jens Stoltenberg	26 Gas-X alternative
22 End for web, kiss or nanny	49 Persistently pester		
23 "Paradise Lost" scheme	50 Ebb	4 Slice of bologna, e.g.	
26 Barrel-aged beverage	53 Flimflam	5 Cool	
32 Send salacious selfies	56 Book after Joel	6 God on a valentine	
	57 Big Mac topper	7 Plant	
	61 Slack off	8 It comes after twelve	

Previous Puzzle's Solution

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WARNER BROS.

SPORTS



Patrick Mahomes reacts after a late touchdown was nullified due to a penalty.

referees revoked Kelce's miracle play on an offsides call, even if it was a legit penalty—"To take away greatness like that...you want to see the guys on the field decide the game," a calmer Mahomes said later. Reid concurred, calling the flag "a little bit embarrassing."

It was hard not to detect residual agitation about the prior week's rough loss at Green Bay, in which officials neglected to call an obvious pass interference penalty on the Packers during a late Kansas City drive.

Mahomes, of course, is accustomed to pulling off late comebacks—and getting the officiating benefit of the doubt. This year, it has been noticeably harder for the two-time MVP, and what looked like another charmed Chiefs season is turning into a weekly grind. Kansas City remains atop the AFC West, but they're just a game ahead of 7-6 Denver, which started the season 1-5.

The good news: They're still in this, very much. The AFC is a mess of mediocrity at the moment—the Broncos are one of six teams in the conference with a 7-6 record. Even the current No. 1 seed, Baltimore, looks wobbly, needing an overtime punt runback to beat the Rams, now 6-7. The Chiefs face New England next weekend—a game that was flexed out of prime time for looking so one-sided—and the Pats should be a badly-needed recovery snack.

As for the newly-crowned Henry Luce Person of the Year, again in attendance at Arrowhead on Sunday, I think it's great that she's getting the 360 degree, anxiety-inducing NFL experience. Football is a messy habit, one that occasionally means waking up on Monday mornings and wondering why you follow this sport. Or, in Swift's case, wondering why Tony Romo referred to you on air as "Kelce's wife," setting off spirals of Internet conspiracy.

It can always be worse. Ask a Panthers fan.

For the Chiefs, it really came down to a few toes in a game of inches. I'll say it again: if Kadarius Toney's right foot is on the correct side, we're playing that highlight for years, and Kelce is on his podcast, regaling his co-host brother about tossing the latest Lateral of the Century.

Instead it's questions. It's venting frustration. It's the rare fascination of Crabby Patrick Mahomes. I'd never rule a champ like Kansas City out, but it's mid-December, and the Chiefs aren't running away with anything. Yet.

JASON GAY

The Mahomes Meltdown Game: Mistake-Prone Kansas City Trips Up

The cool Chiefs quarterback loses it after a late penalty costs the defending champs a win



But for the trespassing toes of receiver Kadarius Toney's right foot, this would be an unbearably giddy Kansas City Chiefs column.

The defending Super Bowl champs would be glowing in the aftermath of a fabulous victory, a comeback stunner versus Buffalo in which hirsute tight end and pop culture fascination Travis Kelce threw a surprise lateral pass that delivered a touchdown and a last-minute win at home.

Kelce's catch then impromptu flip to Toney was brilliant razzle-dazzle, a TD winner for the ages, a highlight you might write a song to—exactly the sort of play you hate to see nullified by a mindless offsides penalty, as Mahomes said later.

But Toney's foot did begin the play offside. And the brilliant razzle-dazzle was nullified as the Chiefs fell to the Bills, 20-17.

So now this is a grouchy, pessimistic Kansas City Chiefs column. It's about a perennial contender which continues to look vulnerable, has lost three of its last four, including back-to-back losses for the first time since 2021, and is giving its new fan Taylor Swift a crash course in the heart-numbing agony of watching NFL football.

It's about a good club which is making too many mistakes, still lacks reliable offensive weaponry, and may face a string of playoff games on the road, if the playoffs happen at all. It isn't yet a sure thing for K.C., amazingly.

Meanwhile, Kansas City's perpetually sunny MVP quarterback, Patrick Mahomes, looks flustered

and crabby and like he badly wants to speak to a manager.

That was something—Mahomes's mini-meltdown at the end of Sunday's loss. Noted Mahomesologists said they'd never seen the 28-year-old QB quite like that, chucking his helmet to the carpet, seething at the officials on the sidelines, needing to be restrained by his teammates. A low-key dude who keeps cool under pressure in the pocket, or while selling the merits of bundled insurance, Mahomes was uncharacteristically unraveling.

It's tempting to write this off as routine. Even in recent Super Bowl runs, there have been episodes of "What's the Matter with the Chiefs?" from which the team rebounds on its way to the Lombardi Trophy. It isn't a true Chiefs season without a couple of inexplicable losses.

And yet this trouble appears deeper. Mainly it's the offense, which looks unreliable in the wake of offensive coordinator Eric Bienemy's departure for Washington, and isn't sprinkled with a customary coat of magic dust from Mahomes and head coach Andy Reid. Kansas City is light on playmakers and the playmakers they do have, like Kelce and Toney, have struggled with occasional dropsies. An injury to star running back Isiah Pacheco doesn't help, and though the Chiefs won a Super Bowl after trading Tyreek Hill, it's hard not to see the speedy Hill transform the Miami Dolphins and wonder if K.C. erred in letting him go.

Mahomes, who has acknowledged his own shortcomings this season, seems to have hit a frustrated wall. He was miffed that the

The Shark Who Spoiled Toronto's Ohtani Dream

By JARED DIAMOND

Robert Herjavec's private jet had just landed at Toronto's Pearson International Airport on Friday afternoon when Canadian border control officials rushed on board and started looking around the cabin for one particular passenger.

"Is he here?" one of them said, excitedly.

"Who?" a confused Herjavec asked.

"Ohtani!" the officer responded.

That's when Herjavec, a Canadian businessman and investor known for his longtime role on ABC's "Shark Tank," broke the news that sank the hearts of baseball fans across the country. Shohei Ohtani, the most coveted free agent in the history of the sport, wasn't on the plane. It was just Herjavec and his 5-year-old twins, returning home from a trip to their residence in Newport Beach.

Less than 24 hours later, Ohtani announced that he had signed a 10-year contract with the Los Angeles Dodgers worth a record \$700 million. For the Blue Jays, the dream had died.

"They didn't even look at my passport," Herjavec said. "They were so disappointed about who was on the plane. They're like, 'Oh, welcome home sir.'"

Ohtani signing with the Dodgers was always the most logical outcome. The Dodgers are a baseball behemoth, an organization capable of paying Ohtani an unfathomable amount of money and ensuring him an opportunity to compete for a title. (In six years with the Los Angeles Angels, Ohtani never reached the playoffs.) The Blue Jays, meanwhile, have a talented roster and represent an entire nation, but can't match the Dodgers in prestige, popularity and economic might.

While Herjavec was wrangling



Robert Herjavec is an investor known for his 'Shark Tank' role

his twins on a flight across North America, he had no idea that the entire baseball world was monitoring his journey with breathless anticipation.

Internet sleuths using online flight-tracking software had noticed that a plane was scheduled to fly from John Wayne Airport—located just south of Ohtani's previous home ballpark in Anaheim—to Toronto. Amid an information vacuum surrounding Ohtani's free agency, that was all it took to spark a frenzied day of speculation that somehow ended with Herjavec as the main character.

Ohtani was ferociously private during the courting process, leaving everybody to feverishly track the tiniest breadcrumbs in the search for clues about his thinking. So when fans began posting details of the flight on X, the social-media platform previously known as Twitter, many reached the same conclusion: It was Ohtani on that plane, coming to Toronto to join the Blue Jays.

Around 3 p.m. ET on Saturday, Ohtani posted on his Instagram account that he was heading to the Dodgers. He is expected to hold a news conference this week, where he will likely be asked about his interest in the Blue Jays.

As for Herjavec, he just hopes nobody blames him for what wound up happening with Ohtani. At the very least, the whole ordeal did give him a business idea. After learning Saturday that Ohtani had signed for \$700 million, he wrote in a text message, "I need to buy a sports team."

Manchester City's Historic Hangover Begins to Lift

By JOSHUA ROBINSON

Luton, England

Standing in the rain on the sideline of the tiniest stadium he will visit all season, Pep Guardiola was losing his mind. The Manchester City manager gesticulated wildly, clapped sarcastically, and hollered at the officials, but nothing seemed to be going right.

His lavishly assembled team was proving incapable of getting past Luton Town, the squad with the smallest payroll in the English Premier League. Even once City

League last spring, the team is lurching through this season like a frat boy with a hangover.

"Four games we didn't win, we are not used to that," Guardiola said after the game. "People say 'City is over already.' This is the challenge that we have ahead of us: Prove them wrong and still be there."

City isn't quite in crisis yet—the club sits in fourth place, four points behind Premier League leader Liverpool—but the aura of invincibility it carried through last spring has faded. It now finds it-

with a header, leaving City to wonder if the wheels truly had come off.

Earlier in the week, City had been dominated in a game unlike any other in recent memory as it fell 1-0 to Aston Villa.

"We cannot feel sorry for ourselves," Guardiola told his players at halftime of the Luton game. "It's football, it's life."

Manchester City turned things around with two goals in the space of three minutes in the second half by exploiting some truly calamitous Luton defending. But that did little to conceal the fact that City's attacking machine isn't purring like it used to. Striker Erling Haaland, who leads the league in goals, missed the game with a foot injury. (Guardiola had few details on Haaland's injury.) And more generally, City ranks behind Liverpool and Newcastle in expected goals, a measure of the quality of the scoring chances it creates. (Its total of 38 goals this season belies some inconsistency—15 of those came in just three games against Fulham, Bournemouth, and Chelsea.)

Still, the opportunity to emerge from the recent slump is right in front of them. Six of City's next seven opponents are currently in the bottom half of the league standings.

Only the biggest challenge isn't which teams they're playing, but when.

City has seen the enemy and the enemy is schedule congestion. On top of an already packed calendar around the holiday period, the club must also travel to Saudi Arabia as defending European champion to play up to two extra games in the Club World Cup. All told, City has as many as six matches between now and the end of the year, beginning with a trip to Belgrade, Serbia, in midweek to face Crvena Zvezda in the Champions League.



Pep Guardiola, right, celebrates with Jack Grealish.

scraped together a comeback to win 2-1, the defending champions looked far from their dominant selves.

The problem for the most dominant team in Europe last season is that this wasn't just one ugly day. For City, they're all ugly days at the moment. When Man City finally turned things around against Luton, it ended a run of four consecutive games without a win and marked its first Premier League win since Nov. 4.

After the champagne-soaked elation of winning the Premier League, F.A. Cup, and Champions

self in a three- or four-way title fight and Guardiola must find new methods to motivate a squad that has finished first in five of the past six seasons and achieved its ultimate goal of winning the Champions League last June.

The team's lack of sharpness has been more evident than over the past week. Under chants of "You've bought it all" from the Luton fans on Sunday—a reference to City's 15 years of extraordinary spending—the visitors fell behind moments before halftime. Luton Town's Elijah Adebayo outjumped Ruben Dias at the far post to score

OPINION

Oct. 7 Attack Made Israel Stronger



GLOBAL VIEW
By Walter Russell Mead

Tel Aviv
The Jewish state, and the Zionist movement that sustains it, is emerging from this crisis stronger than before. That's my conclusion after a week in Israel, traveling to the combat zones in the north and south, touring the Gaza-area kibbutzim that were occupied by Hamas, and meeting with Israelis ranging from senior government officials to survivors of the Oct. 7 attacks struggling to put their lives back together. Israel is more united, its citizens are more determined to fight for their state, and Jews around the world have renewed their commitment to the Zionist cause.

I spoke to Israelis across the political spectrum. From leaders of the pre-Oct. 7 protests against Prime Minister Benjamin Netanyahu's government to senior officials in the war cabinet, I heard only commitment to supporting the government through the war. Politics isn't dead in Israel. Protests demanding Mr. Netanyahu's resignation have resumed, and profound disagreements bubble below the surface. But none of this affects the country's determination to prosecute the war. Israelis from all political camps are determined to put national security first when the war ends.

Israeli military experts, including critics of the government, think the war is going reasonably well. Casualties are significant, and there is hard slogging ahead, but Israel is on course to inflict defeat on the deranged and misguided Hamas movement. It also is headed toward deeper integration into the Middle East. Arab leaders, who are moving the Arab and Islamic worlds into a brighter future than the fanatics can imagine, appreciate as never before the value of a strong Israel to their own security and prosperity.

Much can still go awry. Iran and its proxies have a vote in what happens next. America's Middle East policy remains muddled, and the global struggle of revisionist powers against the American-led world system can intersect explosively with Middle East politics. But for now, Israel has rallied from the shock of Oct. 7 and is on track to re-establish deterrence.

This isn't the first time that the enemies of the Jews have unintentionally contributed to the rise of the Jewish state. The founder of modern Zionism was a secular and assimilated Austrian Jew named Theodor Herzl (1860-1904). He was driven to embrace his Jewish identity and the idea of Zionism by the realization that the irrational evil of Jew-hatred was an ineradicable force in modern Europe. Only when Jews built a state of their own could they be safe, Herzl reasoned. As he contemplated the factionalism that plagued Zi-

onism from its beginning, he took comfort in the belief that the hatred of their opponents would bind the fractious Jews into a united people.

Jews in liberal Western countries initially scoffed at Herzl's Zionism, but the grim course of 20th-century history vindicated his insights and recruited brilliant disciples and able campaigners into the Zionist camp. Decisions in the U.S. and elsewhere to slam the

powerful state it is.

For Israel, bad Palestinian strategy is the gift that keeps on giving. Over the decades, Palestinian resistance movements have consistently been too weak and fragmented to threaten Israel's survival. Nevertheless, their constant low-level threat led Israelis to develop the first-class defense and technology capabilities that make it an indispensable partner for countries all over the world.

The unspeakable barbarity of the Hamas attacks has again united and strengthened Israel while accomplishing nothing for the Palestinian people. The Jew-haters who overshadowed more peaceful and responsible demonstrators across U.S. streets and campuses have deeply damaged the Palestinian cause with centrist opinion. Such displays remind Americans that anti-Jewish bigotry and the ignorance it fosters threaten the foundations of American life. Based on what they hear from friends and relatives overseas, many Israelis believe that hundreds of thousands of new Jewish immigrants may head their way soon, migrants who will strengthen Israel's Jewish demographic base and pull its politics to the right.

For all this, Israel's worst enemies have only themselves to thank. The haters continue to build the Jewish state even as their barbarism frustrates the hopes of thoughtful Palestinians and those who wish them well.

Hamas managed to shock the Jewish state out of its disunity and complacency.

door on desperate Jewish refugees from the Nazis further strengthened the appeal of Zionism to the world's Jews. Such decisions also brought to Palestine the committed Zionist recruits without whom the Jewish community there could never have won its independence or built a state. In perhaps the greatest instance of Jew-haters shooting themselves in the foot, vindictive Middle Eastern mobs and governments forced some 850,000 Jews to flee to Israel in the aftermath of its War of Independence. Those immigrants and their descendants feel no guilt for Palestinian dispossession and are skeptical of Arab intentions. They are a plurality of Israeli Jews today, and without them Israel could never have grown into the

Cheer, Cheer for Old Notre-Dame



MAIN STREET
By William McGurn

Even covered in scaffolding, Notre-Dame awes. Since the devastating fire on April 15, 2019, the cathedral has sat on its isle in the Seine, wounded and brooding.

But also triumphant: At long last Parisians can make out the spire behind the scaffolding. Its precipitous fall was arguably the most heartbreaking image from the fire. So although the official reopening is a year off, this milestone comes as an early Christmas gift.

In a nation where rigid secularism—*laïcité*—has been a religion itself for more than a century, even those with no faith speak of Notre-Dame as the soul of the nation. But navigating *laïcité* is not easy. During his visit to the cathedral on Friday, President Emmanuel Macron was asked to defend himself for having had the chief rabbi of France to the Élysée Palace the night before, where he lit a menorah to mark the start of Hanukkah.

Mr. Macron was unapologetic. "*Laïcité* is not about erasing religions," he explained.

Or is it? In France religion is confined, by law, to private expression.

Laïcité may be one of the few policies popular across the political spectrum, driven today in good part by France's

difficulties with its Muslim population. The received wisdom is that the French must respond to the threat of radical Islam by doubling down on their highly secularized selves. What no one asks is whether the uncompromising way the French define a secular state might account for some of their troubles.

Mr. Macron himself has raised some of these questions and embodies some of the contradictions. Though the French president constantly affirms his commitment to *laïcité*, he also appears to recognize that in its present form it is too unyielding and brittle.

Part of the problem is that *laïcité* emerged out of a specific historical context in response to a specific religion: Roman Catholicism, and its alliance with the French throne. Though *laïcité* aimed to purge France of the church's influence on public life, it doesn't affect all religions equally.

A new poll released Friday reports that 78% of French Muslims believe *laïcité* discriminates against them. Notwithstanding Mr. Macron's menorah lighting, critics note that he defends restrictions such as his government's latest attempt to regulate how young women dress for school by banning the *abaya*, a long, robe-like dress favored by Muslim women.

In theory, policing public expression of religion produces a cohesive nation of modern, tolerant and secular republicans. It hasn't worked

out that way. Certainly it doesn't seem to be assimilating the country's Muslims, now roughly 10% of the French population.

In this context it's worth taking a look at a more hopeful speech Mr. Macron delivered in 2018 to France's Catholic bishops. He opened by telling them "that the link between the church and the state has been damaged and we both believe it is important to repair it."

The cathedral's spire rises—raising anew questions about French secularism.

Mr. Macron went on to talk about the witness of the church, and its good works on behalf of the most vulnerable. Society, he said, needs an institution guided by fixed and transcendent truths.

"I am convinced," he said, "that the Catholic lifeblood should still contribute to bringing our country to life and should continue to do so." In *laïcité* France, that's about as close as you can get to secular blasphemy.

He doesn't appear to have realized it, but Mr. Macron's words echo those of Cardinal Joseph Ratzinger, later Pope Benedict XVI. In 1992 Ratzinger was in Paris to be inducted into the Academy of Moral and Political Science. He

expressed his admiration for both Alexis de Tocqueville and the Protestant-inspired secular order in America. In that order, he noted, religion was seen as liberty's ally—not, as in Europe, a foe. As pope he would go on to make the case for a "healthy secularism."

The rebuilding of Notre-Dame is resurrecting these arguments along with the cathedral. For now *laïcité* reigns. But after nearly nine centuries, it seems safe to say Notre-Dame will outlast the controversies of today. It has survived worse.

Duncan Stroik is a classical architect at the University of Notre Dame in South Bend, Ind. Over the years, he has designed many churches himself. Like others, he has been impressed by the pace of the cathedral's reconstruction and cheered at the news that its beloved Gothic spire will soon return to its rightful place on the Parisian skyline. He also believes that, whether they know it or not, the reason Notre-Dame exerts such a pull on even nonbelieving French isn't simply its rich history. On some level they sense there's a heartbeat to this monument that gives it life.

"Unlike rebuilding an ancient monument like the Colosseum," he says, "the French are rebuilding Notre-Dame for the same purpose it was started in 1163, the Mass. In a secular state, that's almost a miracle itself."

Write to mcgurn@wsj.com.

BOOKSHELF | By Meghan Cox Gurdon

Magazine On a Mission

50 Years of Ms.

Edited by Katherine Spillar
Knopf, 544 pages, \$50

The first issue of Ms. magazine appeared on newsstands in January 1972, and it sold out almost immediately. The "women's lib" movement was surging, and the American market was ready. Nine years earlier, Betty Friedan had stirred female discontent with "The Feminine Mystique." Six years earlier, activists had formed the feminist National Organization for Women. A month earlier, editor Clay Felker had prepared the way by running a 40-page Ms. prototype inside the pages of New York magazine. Now here came Ms. proper to advocate sisterhood, abortion and the consciousness-raising of housewives.

The magazine's creators had toyed with other titles for their enterprise—The First Sex, Everywoman—but founder Gloria Steinem felt that the then-controversial honorific struck the right note. Certainly Ms. struck a chord with a large cohort of women, many young mothers among them. For the children of these women, Ms. helped to explain the newly militant attitudes that were infusing their households; indeed, the magazine ran "stories for free children" for this very purpose. There were practical effects as well. Feminists have long enjoyed repeating activist Carol Hanisch's phrase "the personal is political." On that, a lot of 1970s kids would have agreed. The liberation politics that Ms. Steinem and her writers were pushing in the pages of Ms. became, for many latchkey children of divorce, as personal as it gets.

The cover of the magazine's inaugural issue presented the image of a woman as a suffering domestic goddess, as blue-skinned and many-armed as a Hindu deity (an idea "out of my Indian past," explained Ms. Steinem, who had spent two years on the Subcontinent on a fellowship). With her eight frantic hands, the figure manages a phone, a typewriter, a frying pan and other objects, while a homunculus gesticates peacefully inside her. This arresting image appears in "50 Years of Ms.," a compendium edited by Katherine Spillar that gives a flavor of the magazine's coverage over the past half-century. In a foreword, Ms. Steinem, now 89 and ever the self-publicist, prides herself and her 1970s colleagues for having had "the radical idea that women are people."

Organized by decade, "50 Years of Ms." features articles by activists, journalists and cultural luminaries. Alan Alda's piece from October 1975 laments the "testosterone poisoning" that causes men to compete. A column by Patricia J. Williams from March/April 1994 deprecates the popularity of right-wing talk radio. A piece from last winter by Ms. Spillar and Jennifer Weiss-Wolf argues that abortion is essential to democracy.

Ms. has never wavered in its commitment to women's ability to end their pregnancies at will; one of the most arresting elements in the inaugural issue, reprinted here, is an open letter signed by 53 well-known women (among them Susan Sontag, Lillian Hellman and Billie Jean King) proclaiming: "We have had abortions." The letter appeared a year before *Roe v. Wade*, the Supreme Court ruling that made abortion a fundamental right.

The magazine was early to promote intersectionality—the concept that race, sex and other factors combine to create special categories of oppression—and to inveigh against traditional sex roles. Starting with the first issue, Ms. endorsed the erasure of differences between boys and girls, in some measure helping prepare the ground for today's widespread sexual confusion. It is appropriate that this collection include "X: A Fabulous Child's Story," a 1972 fable by Lois Gould in which even pint-sized readers could discern the heavy hand of the propagandist.

From the start, Ms. endorsed the erasure of differences between boys and girls. Alan Alda lamented 'testosterone poisoning.'

"Once upon a time, a baby named X was born," begins the story, which tells of a government "Xperiment" to raise a sexless child. The parents of X must be vigilant: "They knew that if they kept bouncing it up in the air and saying how *strong* and *active* it was, they'd be treating it more like a boy than an X," we read. "But if all they did was cuddle it and kiss it and tell it how *sweet* and *dainty* it was, they'd be treating it more like a girl than an X." Unenlightened adults who encounter this miracle of neutrality are discomfited—of course they are, being dinosaurs—but when X goes to school a classmate obligingly marvels: "Maybe X is having twice as much fun as we are!"

"50 Years of Ms." gives insight into feminist thinking mostly through what it presents but partly through what it veils. Ms. Steinem famously popularized the saying that women need men like fish need a bicycle, yet she herself got married in 2000 and became that retrograde thing, a man's wife. In the end, she wasn't buying what Ms. was selling, and neither were others in her cohort. In a piece from the June/July 2000 issue, Lisa Jervis asks: "Why would a feminist choose to take part in such a retro, potentially oppressive, bigotedly exclusive institution" as matrimony? She then admits that, in being happily married to her husband, Christopher, she has probably lost her "street cred."

More striking, from a magazine founded on the supposedly radical idea that women are people, is that Ms. no longer knows what a woman is. Toward the chemical and cosmetic feminizing of men, "50 Years of Ms." appears sympathetic, as evidenced by Noelle Howey's 1999 essay about her father, whom she describes as a transgendered lesbian. Of the male fetishists now wearing womanhood as a costume, who are pushing into women's intimate spaces—bathrooms, shelters, even rape clinics—and stealing women's places in competitive sports, Ms., in this collection at any rate, is silent. Actually, not entirely: A piece from the spring 2022 issue does worry about "marginalizing and harming gender minorities, not female athletes." For all the magazine's insistence on the evils of patriarchy and "entrenched misogyny," it's a fantastic irony to see Ms. feminists deferring to the desires and demands of people who claim to be women but are in fact men.

Mrs. Gurdon, a Journal contributor, is the author of "The Enchanted Hour: The Miraculous Power of Reading Aloud in the Age of Distraction."

Capitol Hill Loves My Honda Motorcycle

By Philip Wegmann

I braked but the brakes gave out, and I swerved but ran out of street to swerve on and slid halfway across a taxi's hood. The cabie smiled and a cop walked over, laughing. There was no real damage in this delightful, if pathetic, motorcycle crash.

Hells Angels wouldn't accept me, but who can help smiling?

I own a big old Kawasaki and a bigger old Ducati. Yet on this particular day, I was riding a 1977 Honda NC50 with a single-cylinder two-stroke engine that sounds like a swarm of lethargic bees and churns out 2¼ horsepower. Other than the little ape-hanger handlebars, it looks like a pocket bicycle.

Hells Angels would never. I enjoy the malaise machine all the same.

Introduced under President Carter and discontinued during Reagan's tenure, "the Express" rolled into American markets in response to the oil crisis. It was cheap to make and cheaper to operate, getting around 100 miles a gallon. These days you can find them in cluttered old garages, likely parked when pain at the pump began to ease.

I picked up mine during the pandemic and discovered part of a lost decade. It isn't fast, but I love it as inflation lingers. The Honda gets me to work in 15 minutes flat. When I borrow the bicycle lane, I can do those 3 miles in 10 minutes. With a top speed of 25 mph, it leaves the occasionally irate member of the bicycle class behind in clouds of blue smoke. Most everyone loves the economy commuter, though, and the "Mad Men" don't lie: You really do meet the nicest people on a Honda.

The cabdriver barely bothered with his bumper or my bleeding knee. He asked about the little motorcycle. If Honda



The author's bike.

still built them, I might have earned a referral check.

Staffers with their morning coffee wave when the two-stroke chugs up Capitol Hill. Sources smirk at the ridiculous sight of a grown man on a miniature motorcycle. For those who ask, usually tourists with grandkids, I pull the Honda onto its center stand.

There is the baby carburetor, the ingenious windup starter, and the tiny sparkplug that would otherwise have been destined for a life in a

weed eater. I do my best Burt Munro while explaining how a frozen cylinder was freed with a mallet and Marvel Mystery Oil. The gods of speed may not find my small-displacement sacrifices pleasing, but the analog engineering still charms everyone.

Errands become impromptu grands prix, and I often feel like Valentino Rossi until red lights inspire the inevitable crisis of confidence and I remember that I look more like Mr. Bean than Marlon Brando.

The cop didn't believe I had bigger bikes, real motorcycles, safely in the garage. I'd rather commute on those, and during longer hauls I do.

Motorists look concerned when I merge the rickety Kawasaki onto the interstate. Mothers generally glare at the loud Ducati. But on the Honda, when riding my downsized American dream, most everyone smiles.

Mr. Wegmann is White House correspondent for RealClearPolitics.

OPINION

REVIEW & OUTLOOK

How to Fix Section 702 Surveillance

Congress is still debating how to reauthorize Section 702 of the Foreign Intelligence Surveillance Act, or FISA, and doing it right has never been more important. The risk of terrorism has gone up since Hamas's massacre in Israel, and the U.S. needs all the intel it can get to detect and prevent future attacks on the American homeland.

Section 702 lets the government monitor non-U.S. citizens outside the U.S. to protect national security. The information collected goes into a database that can later be searched by law enforcement. But the authority has come under scrutiny after abuses by some Federal Bureau of Investigation agents who ran searches related to Black Lives Matter protesters and even Members of Congress. Lawmakers want to reauthorize the program while protecting civil liberties, but some proposals are better than others.

* * *

The House Judiciary Committee has gone the wrong way, with legislation that could end Section 702's usefulness as a national-security tool. Sponsored by Chairman Jim Jordan (R., Ohio) and ranking member Rep. Jerrold Nadler (D., N.Y.), the bill would require a warrant for queries of U.S. persons, even though the information was already lawfully collected. The support of Mr. Nadler and Members of the left-wing Squad is *prima facie* evidence that this bill would do tangible harm.

Exceptions could be made for U.S. persons under the Judiciary bill, though only in a few circumstances, including the possibility of "imminent threat of death or serious bodily harm." Mr. Jordan is right that the surveillance power needs better safeguards. But this kind of stringent warrant requirement on lawfully collected data might foreclose searches that could yield important clues to keep the public safe when every hour matters.

A warrant rule also isn't foolproof at protecting the innocent, as Carter Page can explain. The onetime aide to Donald Trump, whose story has become a rallying cry for some Republican lawmakers, was subjected to improper surveillance (though not under Section 702), after the FBI sought and received warrants from the Foreign Intelligence Surveillance Court.

Legislators have better options to fix Section 702 without breaking it. This includes adding political accountability by setting up a system for

Philadelphia's Union Crooks

Big labor claims to stand up for workers, but too often its leaders exploit them. Philadelphia offers one example as a jury last week convicted two labor leaders for embezzling from their union.

The case involves John "Johnny Doc" Dougherty and Brian Burrows, the former business manager and president of the International Brotherhood of Electrical Workers Local 98. Both men "treated the union and its assets as their own personal piggy banks—harming the union and its members," says Kevin Smallwood of the Office of Labor-Management Standards for the Philadelphia-Pittsburgh District.

No kidding. The jury found that Mr. Dougherty stole union funds to buy lavish steak and crab-cake dinners for his family, among other illegal acts. Tens of thousands of Local 98 dollars covered the costs of personal construction and repair projects for the two defendants. Mr. Dougherty was also found guilty in 2021 of multiple corruption-related counts after the labor boss kept a Philadelphia City Councilman who did his political bidding on the union payroll for a no-show job.

Mr. Dougherty faces a separate extortion

A jury convicts two labor bosses of stealing from union coffers.

Congress to periodically review the queries being run. Beth Williams and Richard DiZinno, two members of the federal Privacy and Civil Liberties Oversight Board, have suggested that intelligence agencies be required twice a year to report to lawmakers "each of the sensitive query terms used during the previous six-month period."

A bill in the Senate Intelligence Committee would prohibit queries of U.S. persons "that are solely designed to find and extract evidence of a crime," but searches relevant to national security could continue.

The House Intelligence Committee offered a similar proposal last week and approved it unanimously on Thursday. This would reduce by 90% the number of FBI employees authorized to sign off on U.S. person queries, while mandating "independent audits" and creating new crimes for surveillance misconduct.

The Intelligence bill overall is the better by far of the two House bills. Speaker Mike Johnson said last week he will use a special procedure to let both the Judiciary and Intelligence bills come to the floor so Members can vote their preference. Our advice to Republicans is not to go on record gutting a crucial antiterror tool out of pique with the FBI. The vote will haunt Members if there's another attack.

Although FISA is set to expire at the end of this year, some lawmakers are hoping to get more time by putting a four-month extension into the National Defense Authorization Act, which will be voted on this week. Renewing it through April is far preferable to the potential disaster of letting it lapse. Congress can use the extra months to ensure that the FISA reforms thoughtful changes that won't hamper national security.

* * *

The FBI has earned public skepticism after its abuses of power. But the 702 program provides vital intelligence that informs decisions at the highest level, and surveillance remains one of America's few asymmetric advantages against terrorist networks and cells that only need to evade detection once.

Section 702 has helped prevent another terrorist attack akin to 9/11, but al Qaeda and ISIS are still in business. War in the Middle East has increased the threat. The barbarism the world witnessed on Oct. 7 is a reminder that sometimes quietude means that enemies are merely biding their time.

Prosecutors allege that he and nephew Gregory Fiocca strong-armed a contractor into providing the latter with a no-show job through "the wrongful use of actual and threatened force, violence, and fear, including fear of economic harm." Mr. Fiocca denies the claims, his lawyer said. Mr. Dougherty's attorney declined to comment.

Mr. Dougherty faces up to 901 years in prison for his voluminous convictions, while Mr. Burrows faces up to 83, according to the U.S. Attorney.

So ends a sordid era in Philly. Mr. Dougherty also for a time led the Building and Construction Trades Council, and businesses that refused to use union labor could expect intimidation and harassment. Union members worried that if they questioned Mr. Dougherty they'd find themselves out of work—or worse.

The Philadelphia Inquirer recently reported that Mr. Dougherty was caught on tape likening himself to the mob boss on the Netflix show "Bad Blood," but our sources from his orbit compare him to Tony Soprano. Union corruption is a hardy perennial, and Local 98 can thank federal prosecutors for exposing and punishing it in their shop.

that some auto makers might not survive. The Darwin analogy is colorful but isn't quite right because this struggle isn't about natural selection. It's the result of government selection, and workers will be among the casualties. Is United Auto Workers president Shawn Fain paying attention?

Mr. Tavares also noted that the pace of the EV transition would depend on the outcome of the 2024 election. A Republican President could roll back the Biden Administration's greenhouse-gas emissions regulations and California's waiver under the Clean Air Act that lets it impose its own EV mandate and other states to follow it.

States have challenged California's waiver in court. They argue that it lets California dictate auto markets nationwide without clear Congressional authorization. It also burdens interstate commerce, as Stellantis is showing. The auto maker is reducing shipments of gas-powered cars to California and other states that follow its rules, and it's cutting jobs in states that don't.

California's climate regulators used to worry their rules would result in "job leakage" to other states. Problem solved. By regulating beyond its borders, California can kill jobs nationwide. Too bad workers in Toledo and Detroit can't vote the coercive progressives in Sacramento out of office.

LETTERS TO THE EDITOR

The College Development Officers' Last Stand

Some philanthropists are finally pulling their funds from America's top, antisemitic colleges ("Harvard Bans 'Cisheterosexism' but Shrugs at Antisemitism" by Elise Stefanik, op-ed, Dec. 8). But the college leadership and their development officers won't go down without a fight.

They will offer new funding opportunities to create endowed chairs or programs to counter antisemitism. They will recommend funding "Israel studies" programs to provide balance to the Middle East studies departments, funded by Islamist governments like Qatar, that are cesspools of anti-Israel dogma.

Philanthropists must reject these clever overtures. The idea of Israel studies, as distinct from Middle East studies, is itself a form of discrimination. It is an attempt to make research on Israel an academic ghetto. Few Israel studies graduates will get jobs in the White House, State Department, intelligence community, media or anywhere else of real influence. Programs to counter antisemitism also will be a superficial sop to allow these colleges to continue their tolerance of Jew hatred.

The rot requires systemic change that rips out the poison ivy from the Ivy League and other elite schools—roots, trunk, branch and leaves. But first we need a definitive list of the most antisemitic universities. This should be published alongside other major university rankings. Every philanthropist, student, parent, professor, college president, trustee and federal and state official should know which are the most dangerous col-

leges for Jews, supporters of Israel and those looking for an education free from incitement to genocide.

This shouldn't depend on context: From a safe college quad to a useful degree, let our students finally be free.

MARK DUBOWITZ
Chief executive, Foundation for
Defense of Democracies
Washington

Rep. Stefanik does a superb job demonstrating that the university presidents she questioned at a hearing in Washington have no common sense. If they can't state that advocating the genocide of Jews won't be tolerated at their universities, they should be sent home. This reminds me of a bumper sticker from the past: "If you stand for nothing, you will fall for anything."

I had to look up "cisheterosexism," and it still has me scratching my head. These folks are just making stuff up.

PETER MCCARTHY
Scarsdale, N.Y.

One question to the university presidents who testified: If the KKK or a white supremacist student group demanded on your campus the genocide of blacks, would you hesitate to stop them? Would you look for "context"?

BARBARA BERG
Belle Harbor, N.Y.

I'm inclined to conclude that we might stop referring to colleges as "higher education."

JERRY KAYE
Corrales, N.M.

Guardrails for the New U.S. Monetary System

In "The Federal Reserve Has an \$8 Trillion Secret" (Political Economics, Dec. 8), Joseph Sternberg provides a welcome suggestion that the Fed communicate its balance-sheet intentions. He notes that the Fed has abandoned the pre-2008 monetary system and now expects to operate an "ample reserves" system. Providing guardrails for the Fed's power over this new postmonetarist system is vital if we are to maximize growth

and defend the U.S. dollar.

Are there any limits on the assets the Fed can buy on its own account? Any limits on bank lending to the Fed—only friendly countries, perhaps? Any framework, such as an eye to dollar stability, for setting the interest rate the Fed pays banks for reserves?

DAVID MALPASS
Washington

Mr. Malpass was president of the World Bank Group, 2019-23.

Welfare Benefits and the 'Disincentive Desert'

Phil Gramm and John Early's "Another Wrong Way to Measure Poverty" (op-ed, Dec. 6) is notable for revealing how poverty rates are artificially inflated by the Census Bureau by excluding most social-welfare benefits. When all the benefits are counted, the authors contend, "the percentage of Americans living in poverty falls to only 2.5%."

Both the authors and the Census Bureau, however, are wrong to think about poverty exclusively at one point in time. While Americans may be more comfortable than census numbers suggest, the authors miss the poverty of opportunity that occurs once people become ensnared in the social-welfare system.

Consider a 2022 study by economist Ed Dolan. He gives the case of a hypothetical Boston family with one adult, two young children and an income of \$22,000, which is at that group's official poverty level. The family qualifies for around \$66,000 in

social-welfare benefits, which certainly brings it out of poverty.

But here's the rub: Even if the family's income doubles to \$44,000, the social-welfare benefits collectively roll back \$1.03 for every marginal dollar earned over this range, leaving the family worse off in total wages and benefits. Our research calls this phenomenon a "disincentive desert," (as opposed to the much-studied "benefits cliff"), since this is equivalent to an extremely high and persistent tax on work effort, ranging from 90% to 110%, across long spans of income.

As a result, many low-income Americans are left comfortably numb in a social-welfare state that severely punishes work effort and stifles the imagination for what life might be. I contend that rather than focusing on living standards at a point in time, we should see that life without hope of economic progress is the ultimate definition of poverty. Policies that address this issue are the key to reviving downward trends in labor-force participation.

PROF. CRAIG J. RICHARDSON
Winston-Salem State University
Winston-Salem, N.C.

Wealth Tax Is Only the Start

Ilya Shapiro warns against "The Wealth Tax You May Already Owe" (op-ed, Dec. 7) and the havoc that will result if the court recognizes a congressional right to tax unrealized gains as "income." He understates his case.

The government only taxes net gains—that is, after deductions. Therefore, I hereby declare my future charitable donation of \$50 million. An unrealized deduction, you say? Why should I get the benefit today of a donation that may never occur? Exactly.

JONATHAN PUTNAM
Marblehead, Mass.

Pepper ... And Salt

THE WALL STREET JOURNAL



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JOSEPH CORN
Brooklyn, N.Y.

OPINION

Migrants and The Urban Death Spiral

By Andrew M. Cuomo

Cities are organic entities. They have life cycles. They can thrive and grow or suffer and shrink. As secretary of housing and urban development, I learned this firsthand. Detroit wasn't always the Detroit of today. San Francisco today is different from San Francisco 10 years ago. New York, Los Angeles and Chicago aren't what they were 20 years ago. It's time we opened our eyes to reality. Many cities are going backward.

We are experiencing an unrecognized urban crisis as cities grapple with post-Covid realities. Cities were created primarily as locations for employment. Post-Covid remote work, Zoom meetings, abbreviated workweeks and increased mobility change the basic urban equation. Fewer people need to be in the city to work, and during Covid many adopted new lifestyles and locations. We still aren't getting people into the office five days a week and may never again. That drop in population ripples across the urban economy, affecting real estate, restaurants, retail and more, and costing sales, income and property-tax revenue.

The federal government sets immigration policy. It's outrageous to make cities shoulder the costs.

Rising homelessness, crime and high taxes make cities even less inviting—even unsustainable.

The tipping point for some cities may be the migrant crisis. As an example, New York's Mayor Eric Adams announced a massive budget deficit caused largely by an estimated \$10 billion migrant cost. The deficit requires a reduction in city services, even police and sanitation. This at a time when the No. 1 issue is crime and quality of life. It's a death spiral.

It is an absurd development that cities across the country are being made to shoulder the operational burden and financial cost of managing the migrant population. There is no legal, moral or practical explanation. Congress writes the immigration laws, and the federal executive branch sets policy. It has created this crisis. To ignore the consequences is a total abrogation of Washington's responsibility.

As a starting point, the federal government should be managing the new asylum seekers on a national level, locating them in states to serve local needs as well as those of the migrants. Currently they are located on an ad hoc basis—or worse, moved as political pawns by border-state governors.

The federal government should allocate the migrant population equitably and intelligently by state. Migrants can be an asset to the country, providing a low-wage workforce many businesses need. Smaller and depopulated cities could use new residents.

Finally, the federal government must pay the cost of migrant care. To the extent the feds are delinquent, states must bear the financial cost. The last level of government responsible for the cost should be local government. Forcing cities to pay for a migrant crisis that they have no business managing in the first place is government malpractice. Cities are already struggling and in crisis.

Handing the bill to cities is also shortsighted. Cities are the economic engines for their metropolitan regions. New York City is the golden goose for New York state. Historically, Democratic federal administrations have understood this and pursued “urban agendas.” What happened? We are effectively abandoning cities at a time when they need real help.

Cities change. At this rate the only way they can go is down. And as cities go, so goes the country.

Mr. Cuomo, a Democrat, served as governor of New York, 2011-21.

By Emre Kuvvet

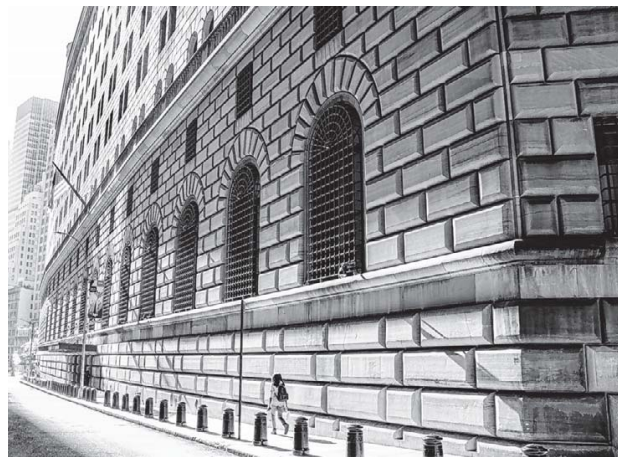
The so-called Domsday Book, an internal document used to guide the Federal Reserve's actions during emergencies, has long been the subject of intrigue and suspicion. Largely a compilation of legal opinions, the book has been a key resource for the Federal Reserve Bank of New York for decades, allowing it to play a unique and oversized role during financial crises. No other regional Federal Reserve bank has such a resource.

The book is a living document that records pivotal decisions made during times of financial distress. It played a crucial role in then New York Fed President Timothy Geithner's decision to rescue Bear Stearns from bankruptcy in 2008.

A few details about the book have dribbled out in the past, notably in 2014 during the *Starr International Co. v. U.S.* trial, in which a group of former equity investors in American International Group sued the government over the terms of the firm's 2008 bailout. The Journal reported that David Boies, a lawyer for the plaintiff, had obtained three copies of the book, “likely under subpoena.” But it remained under seal and “Mr. Boies was careful not to quote from any of the versions of the book or reveal specifics about what the books contained.”

A prior Freedom of Information Act request to the Board of Governors of the Federal Reserve System for the book was rejected. For reasons unknown to me, however, I was recently able to acquire a copy of the book through a simple Freedom of Information request to the New York Fed. Only names were redacted.

The document reveals a fascinating history of diverging perspectives on the Federal Reserve's emergency powers. Instead of adhering strictly to clear legislative boundaries to justify its actions during financial crises, the central bank appears to



The New York Fed building.

SPENCER JONES/GETTY IMAGES

ground many of its decisions in the New York Fed's belief in the Fed's discretionary authority. It relies on precedent for many of its actions, without explicit congressional authorization in some instances.

Through a simple Freedom of Information Act request, I obtained the mysterious document.

This approach implies that establishing clear legislative boundaries for the Fed might be a futile endeavor because the central bank—or at least the legal team at its dominant member bank—apparently believes it can rely on precedent to justify virtually any emergency action.

The book also exposes an apparent split in perspective between the New York Fed and the Fed Board of Governors. At the core of this disagreement are differing interpretations of the central bank's legal powers, particularly Sections 13(3) and 14(b)(1)

of the Federal Reserve Act, which allow the Fed to take extraordinary actions in financial crises. The New York Fed, wary of the complexities of financial markets and the unpredictable nature of crises, embraces a flexible interpretation of these laws. The board adopts a more cautious approach that underscores the importance of adhering closely to legal limits.

This difference in perspective comes to the fore in the document's history of the Fed's response during the 2008 financial crisis. The New York Fed emerged as the Fed's fire-fighting department, urging a more proactive stance, even suggesting that its powers extend to rescuing municipalities. The board, on the other hand, tried to ensure that Fed actions remained within well-defined legal confines. The book suggests that over time, the board has tended to yield to the New York Fed's legal arguments during crises, indicating a shift toward a more flexible approach.

The New York Fed's broad interpretation of the Fed's powers isn't without reason. It contends that the

complexities of financial crises require the discretion that would allow the Fed to respond promptly and effectively. It thus justifies its various actions—from securities lending to guarantees and gaining ownership stakes in companies—as being within its powers. Moreover, the New York Fed's invocation of “practice” as a basis for some actions underscores its belief in its authority, even without explicit congressional authorization. While this proactive stance might be practical in times of crisis, the board's cautious approach seeks to prevent potential overreach to maintain the integrity of the Fed's mandate.

These differing views have profound implications for future crisis responses. With these and other disclosures, we can understand why the Fed has avoided transparency: It isn't able to speak with a single voice during emergencies. That doesn't excuse its secretiveness, however, because the central bank, despite its independence, needs to be held accountable for its actions.

There will always be disagreements about the wisdom of certain Fed actions, but the disclosure of the Domsday Book should enable Congress to understand the basis and judge the legality of its actions. This could pave the way for discussions about the need to revise laws to ensure that the Fed operates within its intended constraints. It could also prompt broader conversations about the role and authority of the central bank.

While the Fed's flexibility is crucial during times of crisis, ensuring that its actions operate within legal boundaries is equally important. As the authority that established its mandate, Congress can revise and modify those boundaries if needed.

Mr. Kuvvet is a professor of finance at Nova Southeastern University. This is adapted from an article that will appear in the Spring 2024 issue of the Independent Review, published by the Independent Institute.

Higher Education's Slide From 'Veritas' to 'My Truth'



FREE EXPRESSION
By Gerard Baker

Picture the scene in the offices of the presidents of our great universities last week in the hours after their little day of infamy on Capitol Hill.

Teams of public relations officials, probably an outside “reputation-management expert,” a lawyer or two, a couple of members of the diversity, equity and inclusion squad to enforce social justice, a beaten-down looking development officer, fresh off another blast from an ex-donor.

“Great job, Madam President. You absolutely knocked it out of the park. Really exposed those fascist Republicans for the patriarchal white supremacists they are. Thank God we don't have any of them on the faculty.

“There's just one small thing. We know this is going to seem petty and annoying after all the magnificent things you said, but some people seem to think you might want to have another go at that moment when you couldn't say whether calling on campus for the eradication of Jewish people might represent a form of harassment against Jews on campus. We've done some brainstorming and we've come up with something we think you should say to help you keep your job.”

The damage limitation didn't work for Liz Magill, president of the University of Pennsylvania, who resigned on Saturday. It shouldn't work either for Claudine Gay of Harvard or Sally Kornbluth of the Massachusetts Institute of Technology.

In Ms. Gay's case, the attempts to mitigate the fallout from her response were so awful she should be fired for them alone, let alone what she actually said at the congressional hearing last week.

First she issued a statement that made a straightforward mockery—untruth might be a better word—of what she had said a day before at the

hearing. Anyone threatening Jewish students would be “held to account” it said—suggesting that the “commitment to free speech” she touted in Congress was no longer operative now that her job was on the line.

Clearly the damage-limitation squad didn't think even this volte-face went far enough, and so a little later she gave an interview to the student newspaper, the *Crimson*. It's worth reading the whole thing for a valuable insight into the mind of the person who holds the most prestigious job in higher education.

First of all: “I am sorry,” she said. “Words matter.”

Anyone thinking of attending Harvard might like to note that it took the head of that institution more than 48 hours to appreciate that “words matter”—and this after a quarter-century in academia.

More revealing, however, was what came later. As Ms. Gay again contradicted the words she had spoken at the hearing, she explained what had gone wrong. “I got caught up in what had become at that point, an extended, combative exchange about policies and procedures,” she said. “Substantively, I failed to convey what is my truth.”

Few phrases are as reliable as “my truth” for identifying seasoned purveyors of cant and doubletalk. Truth isn't something that can be identi-

fied or modified by a possessive pronoun. If my truth is different from your truth and your truth is different from her truth, these aren't truths. “My truth” is the device deployed to elevate the particular viewpoint of a member of a particular group or identity, by claiming the validation of the “truth” for a narrow ideological cause.

On free speech, university leaders suddenly sound like Voltaire. But they've long operated like Lenin.

And this is what we saw last week at that hearing—the narrow, exclusive intolerance of the ideology that has our universities in its grip.

The university presidents' response to Rep. Elise Stefanik's question was a lie cloaked in a truth. They claimed to operate their approach to free speech on what we might call the Voltaire principle: I disagree with what you say, but I will defend to the death your right to say it.

But that isn't how these places work. The Foundation for Individual Rights and Expression puts Harvard dead last in its ranking of colleges by

climate of free speech. Penn is second to last. The principle that actually operates on these campuses is Lenin's: I disagree with what you say, and I will do all I can to prevent you from saying it.

Our universities are run by leaders who are models of the left-wing ideology that dominates so much of our politics and culture. It deems the rights of certain people less worthy of protection than others; it divides the world into oppressor and oppressed. You can call for the murder of all Jews, but say sex is biological and you will be punished.

The motto of Harvard University is “Veritas.” While it seems that study of the classics has been downgraded at our elite institutions and rejected as irredeemably racist, there are presumably still enough people in the faculty who know enough Latin to understand the word.

They at least should know that at Harvard and the rest of our most prestigious universities, “Truth” has been deposed and replaced with the monomaniacal ideology of the “My Truth” crowd. The discomfiture, humiliation and even removal of a university president or two caught demonstrating their dishonesty are welcome developments. But the damage is deep and abiding. It is far from clear whether it can ever be repaired.

NDP Keeps Justin Trudeau Afloat

By Michael Taube

Toronto Prime Minister Justin Trudeau sometimes seems to defy political gravity. He's held office for more than eight years, through scandal and error. He survived revelations that he wore blackface three times as a young man, along with two ethics violations handed down from Canada's ethics commissioner for conflict of interest. He has had public spats with female parliamentarians and ministers—as well as icy relations with China and India and with Presidents Trump and Biden.

Now he's behind the opposition Conservatives by double digits in every major opinion poll. What's more, in Nanos Research's Nov. 24 survey, Mr. Trudeau's Liberals were tied at 22% with Jagmeet Singh's New Democratic Party. The Conservatives had 41%, but the NDP's strong showing may be a bigger threat to Mr. Trudeau, whose government has been held together by Mr. Singh's support.

On March 23, 2022, Canada's two major left-leaning leaders announced they would work together on “confidence and budgetary matters” until June 2025. The Liberals promised to support NDP-backed policies, including a national dental-care program for low-income Canadians and a bill pushing the country

toward a government-run prescription-insurance program. In return, Mr. Singh promised not to initiate a no-confidence vote, which could bring the government down, leading to new elections and perhaps a Conservative government.

This was a coup for the NDP, which had never come close to forming a federal government since it was founded in 1961. Though it

as an expansion of affordable housing, making election day three days of voting, and progressive tax reform—remain nonstarters.

Mr. Trudeau has already led one of the most left-wing federal governments in Canadian history. He and his advisers don't want to stretch that unenviable description even further. The prime minister has therefore used baby steps in dealing with the NDP.

For Mr. Singh's part, he can't easily pull the plug. The NDP has struggled with its finances for years and reportedly won't be debt-free until at least 2024. Running an effective campaign with this type of financial burden would be extremely difficult. That appears to put Mr. Singh between a rock and a hard place: If he brings down the government, his party would lose its influence and could lose seats in the election. If he keeps propping it up, voters may eventually take their wrath out on both him and Mr. Trudeau. (The next election must be held no later than Oct. 20, 2025.)

Then again, if Mr. Singh gambles that the polls are accurate, he could see the NDP leapfrog the Liberals into second place.

Mr. Taube, a Canadian columnist, was a speechwriter for former Prime Minister Stephen Harper.

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WORLD NEWS

In U.S., Zelensky Pushes for More Aid

Ukrainian president will urge Congress to pass fresh funding for war with Russia

By IAN LOVETT

Ukrainian President Volodymyr Zelensky will hold high-level meetings in Washington on Tuesday as he faces his toughest test since Russia bore down on Kyiv in 2022.

Zelensky will meet with President Biden and Congressional leaders from both parties seeking to help push through an aid package for Ukraine, which has been held up by fighting over funding for security at the U.S.'s southern border.

Zelensky's visit to Washington, his third since the war began, reflects the existential urgency for Ukraine of maintaining the flow of weapons from the U.S., which has been

the country's primary arms supplier. If Congress shuts off the tap, Ukrainian troops would soon find themselves severely outgunned.

"This is exactly the right time to have President Zelensky in town to have these discussions," National Security Council spokesman John Kirby said Monday, noting the continuing negotiations on Capitol Hill over supplemental funding for Ukraine and reports of increased missile and drone attacks by Russia against civilian infrastructure.

Kirby said Biden plans to make clear to Zelensky that the White House is standing firm in its request to provide billions in additional aid to Ukraine. Zelensky is traveling to Washington in response to an invitation from Biden, he said.

Congress's battle over funding for Ukraine is the most critical in a string of challenges facing Zelensky.



Volodymyr Zelensky speaks with the press after meeting with IMF Managing Director Kristalina Georgieva in Washington.

Ukraine's summer counter-offensive failed to gain back significant territory, despite huge costs in weaponry and casualties, leaving Russia holding nearly 20% of Ukraine's territory. Political rivalries at home have begun to openly criticize him, and polls

show his public support, though still high, is falling.

Tension is rising in Europe over aid to Ukraine, with Hungarian Prime Minister Viktor Orban threatening to veto an economic package worth 50 billion euros, \$53.81 billion. Several other allies, where the gov-

erning parties have changed since the war began, also are expressing hesitation about continuing to fund Kyiv, another sign of cracks in the alliances that have sustained Ukraine since early in the invasion.

Over the weekend, Zelensky spoke with several European leaders, including Orban, French President Emmanuel Macron and Ursula von der Leyen, president of the European Commission.

"We are counting on a positive decision regarding the allocation of €50 billion and the start of negotiations on Ukraine's accession to the EU," Zelensky wrote Sunday on Telegram. "Europe must resolutely defend its values."

Zelensky is also trying to expand the map of Ukraine's allies. Over the weekend, he was in Argentina for the inauguration of Javier Milei as the country's president. It was Zelensky's first trip to Latin

America since the war with Russia began—part of a push to grow support for Ukraine in less-developed regions, where Moscow has wielded more influence than in the West. He met with Milei and wrote on social media that he spoke with several other regional leaders.

Zelensky on Monday told students at Washington's National Defense University, many of whom have fought in war, that delays on Capitol Hill over funding are only helping Russian leader Vladimir Putin. "Every one of you here understands what it means for a soldier to wait for munition, waiting for weeks, months, without knowing if support will come at all," he said. "Every one of you with command experience knows what it means when instead of moving forward, you're just watching, waiting for armor or equipment while your enemy is satisfied and preparing for assaults."

Rats Rule Ukraine's Trenches

By ALISTAIR MACDONALD AND ILEVGENIA SIVORKA

NEAR SIVERSK, Ukraine—When artillery bombardments stop, the silence of muddy dugouts near the front lines here is soon replaced by another familiar sound of trench warfare: The squeak and scuttle of rats and mice.

The trench systems, static defensive lines and constant artillery fire on Ukraine's battlefields evoke those of World War I. Ukrainian soldiers also are dealing with mud and a rodent infestation that also would feel familiar to those who fought more than a century ago.

Ukraine's muddy season, which can last from October through winter, impacts battle plans, stopping movement for all but tracked vehicles and making attacks on foot tougher.

The mud and freezing cold

will make any large breakthroughs harder for either side in what is already a largely fixed front line with vicious battles for small gains. Cold and wet weather also affects morale.

The trench rodents get into beds, clothes and food stocks, adding to the miseries faced by soldiers in a war that has killed and maimed tens of thousands. They also gorge on corpses in no man's land.

In an underground bunker in the Kreminna Forests near the city of Siversk in eastern Ukraine, an artillery commander said howitzer fire is the only thing that stills the rodents. A burst of fire shook the bunker, but the scuttling and squeaking soon started again. A rat ran across a wooden beam beside the head of the commander, who uses the call sign Lukash.

"They eat into beds, they eat clothes, and whatever they

eat they damage, and whatever you do to cover yourself at night, they still get in," he said.

As a child, Lukash would listen to stories about his grandfather and his experiences of mud, rats and conditions in World War II.

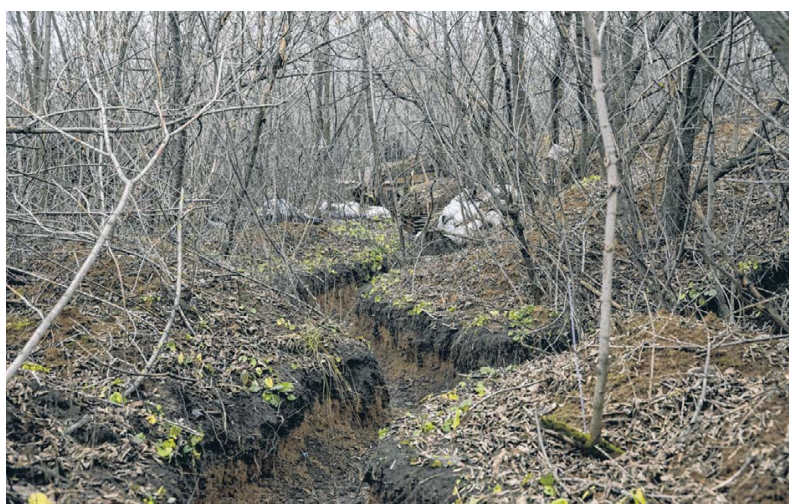
"I never imagined that I would be in this situation," the 34-year-old said.

Outside, artillerymen of the Azov Brigade slipped and slid in some parts of the muddy trench as they loaded their Soviet-era howitzer at speed and fired it toward Russian lines. Some wore gum boots to protect against the mud.

Every member of the 10-man team had a rodent story.

Three days earlier, an artilleryman whose call sign is Pathfinder was woken in his dugout by a tingling sensation on his chin. He looked up to see a large mouse on his chest eating at his beard.

In every trench bunkerhouse



A section of a trench dug by the artillerymen of the Azov Brigade in eastern Ukraine.

there were several glue traps carpeted with dead and dying rodents. Soldiers design their own traps. In one, several mouse corpses floated in the cutoff end of a water container. Soldiers burn rats out of their holes and shoot at them.

An artillery officer whose call sign is Tackleberry, after a character in the 1980s U.S. comedy "Police Academy," said that on one day alone he counted 53 mice dead on glue traps, where they become stuck on glued cardboard.

"The effects of living and talking and sleeping in that sort of environment can have a real draining effect on soldiers and can even lead to disease," said retired Lt. Gen. Ben Hodges, a former commander of the U.S. Army in Europe.

WORLD WATCH



DECISION TIME: A woman casts her vote in Egypt's capital, Cairo, during presidential elections Monday, in which the incumbent, Abdel Fattah Al Sisi, is expected to secure a third term.

RUSSIA

Putin Critic Navalny Missing From Prison

Alexei Navalny, Russia's leading opposition figure, was missing from the penal colony where he has been imprisoned and his whereabouts remain unknown, his spokeswoman and other allies said, prompting alarm in Washington about his condition.

Navalny, a fierce critic of President Vladimir Putin, hasn't been heard from for nearly a week, his team said on X, formerly Twitter.

Recently, he became ill and was put on an IV by prison staff. The team said when his lawyers asked Monday about his whereabouts in two penal colonies east of Moscow, they were told he wasn't at either one.

The State Department said the U.S. has reached out to Russia about Navalny but had no information regarding his whereabouts.

The Russian embassy in Washington didn't respond to a request for comment.

A fierce anticorruption activist, Navalny has been serving sentences in a penal colony totaling more than 30 years on various charges.

—Georgi Kantchev

POLAND

Centrist Is Elected Prime Minister

Poland's parliament elected centrist party leader Donald Tusk as prime minister on Monday, paving the way for a new pro-EU government after eight years of stormy national conservative rule.

Tusk becomes prime minister nearly two months after a national election that was won by a coalition of parties ranging from left-wing to moderate conservative. The parties ran on separate tickets but promised to work together under Tusk's leadership to restore democratic standards and improve ties with allies.

The vote was 248-201 in support of Tusk in the 460-seat lower house of parliament, the Sejm, with no abstentions.

The votes marked the end of eight tumultuous years in which the national conservative Law and Justice party ruled the country with the support of many Poles—but at bitter odds with liberal Poles, as well as the European Union and other Western allies.

—Associated Press

MALI

U.N. Peacekeeping Mission Leaves

The United Nations ended its 10-year peacekeeping mission in Mali on Monday following the government's request that alleged the force was inadequate to respond to growing violent extremism in the West African nation.

"The Malian terrain was vast and difficult," the commander of the 13,000-strong force, Maj. Gen. Mamadou Gaye, told the closing ceremony in Bamako, the capital.

The U.N. effort in Mali has been the deadliest peacekeeping mission in the world, with more than 300 personnel killed.

Landlocked Mali has struggled to contain an Islamic extremist insurgency since 2012. Extremist rebels were forced from power in northern cities the following year with the help of a French-led military operation. But rebels regrouped in the desert and began launching attacks on the Malian army and its allies.

In June, Mali's junta asked the U.N. mission to leave, claiming its "future outlook doesn't seem to respond to the security needs" of the country.

—Associated Press

Hostage Envoy Presses Washington To Keep Bargaining With Its Rivals

By LOUISE RADNOFSKY AND GORDON LUBOLD

U.S. officials were once shy to trumpet their willingness to bargain for American hostages' freedom, believing it could encourage rogue groups to take more of them, but an unprecedented rise in detentions by hostile foreign governments has led Washington to turn that policy on its head.

America's chief hostage diplomat, former Green Beret Roger Carstens, has few qualms about the U.S. cutting deals with dictators to free its citizens, or promoting the practice.

"There's a saying that we have in my office that the United States does not negotiate with terrorists, but we do," Carstens often says of his staff of about 20 that enters to coordinate efforts when the U.S. considers a citizen wrongfully held by another country.

Carstens, the first person to hold the job of special presidential envoy for hostage affairs full time and at the level of ambassador, has emerged as the government's most robust and high-visibility defender of a diplomatic response to the fundamentally undiplomatic act of state-sponsored kidnapping. His dramatically expanded office's efforts highlight a sharp—and controversial—shift in U.S. policy in favor of open engagement with unsavory actors

when it comes to hostages.

The central dilemma of hostage diplomacy is that it pits the needs of people in immediate peril against fears of future harm to many more. For Carstens, success means deals that have freed three dozen Americans in three years, and then looking for ways to stop future hostage-taking. Others see an overtly transactional approach dooming those prevention efforts from the start.

Even some supporters of negotiation believe the Biden administration has made concessions that go too far: In September, when the U.S. recovered five Americans held in Iran after releasing billions of dollars in revenue from Iranian energy sales that had been frozen under sanctions, or a year ago, when the U.S. swapped Russian arms dealer Viktor Bout for American basketball star Brittney Griner in a prisoner exchange. "I think the Biden administration may have unintentionally created a market for future hostage-taking," says Robert O'Brien, a predecessor of Carstens during the Trump administration.

O'Brien praises Carstens personally, but believes U.S. pressure on Tehran would have eventually secured the release of the Americans, and that the Griner-Bout trade was risky and uneven. Carstens defends the deals, saying there was an "exhaustive" U.S. assessment that Bout, after more

than a decade in federal prison, posed no residual security threat to the U.S. or allies. "We get back somebody in return, Brittney Griner," he says. "Unless you're willing to start thinking like that, you're basically writing these people off."

He isn't planning on quickly closing up shop, either. "In the next 15 years we need to dismantle this office," Carstens says. For now, he is going to keep "doing three things all at the same time. Number one: get people home, urgent. Number two: take care of the families, love them. Number three: work on the deterrence effort."

What makes his sleep fitful, he says, is having a list of names of between 25 and 35 Americans at any moment who remain captives worldwide. Among them is Wall Street Journal reporter Evan Gershkovich.

Carstens, a Republican appointed by former President Donald Trump and kept on by President Biden, personifies this role—fueled by his background as an Army special-forces officer with service in Afghanistan and Iraq, among other conflicts.

But deals for U.S. citizens held by foreign governments are ultimately decided by the White House, and Carstens' office doesn't lead negotiations for every case. For Gaza, Carstens and his deputy have been supporting a multiagency response. What he and his office do, above all else, is institutionalize the idea of a full-on effort to free Americans that the U.S. considers wrongfully detained—championing those detainees and their families.

Carstens is breaking with a previous approach of keeping relatives at arm's length.

Ultimately, he thinks it is the numbers that could vindicate his belief that freeing hostages doesn't have to lead to more hostage-taking. He says that over the past year he has watched the number of cases on his desk shrink—the range used to be 30 to 40. "I'm seeing them go down, because we get people back and we don't necessarily see everyone stacking them back up," he says.



Roger Carstens is the U.S. government's most robust defender of a diplomatic response to state-sponsored kidnapping.

Occidental to Buy Rival in \$11 Billion Deal

The planned tie-up with CrownRock is the latest merger bid in the oil patch

By **Benoit Morenne**

Occidental Petroleum announced a \$10.8 billion agreement to buy West Texas producer **CrownRock** as the independent oil company seeks to keep pace with rapid

consolidation in the industry. As part of the cash-and-stock deal, Occidental said Monday that it would incur \$9.1 billion of new debt, issue about \$1.7 billion of common equity and take on CrownRock's \$1.2 billion in existing debt.

The Wall Street Journal reported last month that Occidental and CrownRock were in talks for a tie-up. The acquisition would allow Occidental to keep up with

competitors who have recently announced major deals. It closely follows **Exxon Mobil's** \$60 billion October announcement that it would buy **Pioneer Natural Resources** and **Chevron's** \$53 billion deal to purchase **Hess** that same month.

CrownRock is led by Texas businessman and billionaire Timothy Dunn and backed by the private-equity firm **Lime Rock Partners**. The company is one of the last remaining

sizable private companies in the Permian, alongside **Endeavor Energy Resources**.

Before the shale boom took off, Dunn accumulated leases in the region before trading and swapping land to build the enviable position CrownRock now sits on in a coveted part of the basin. The deal would translate into a windfall for Dunn, who has used his fortune to push an ultra-conservative agenda in Texas, including by funding state-

wide political candidates challenging Republican incumbents.

With CrownRock, Occidental accesses more than 94,000 net acres in the Midland Basin, the eastern portion of the Permian, the company said. Occidental said the purchase would add some 170,000 barrels of oil equivalent a day to its production in 2024, along with about 1,700 undeveloped locations. Occidental's Permian production neared 600,000

barrels of oil equivalent a day in the third quarter of the year.

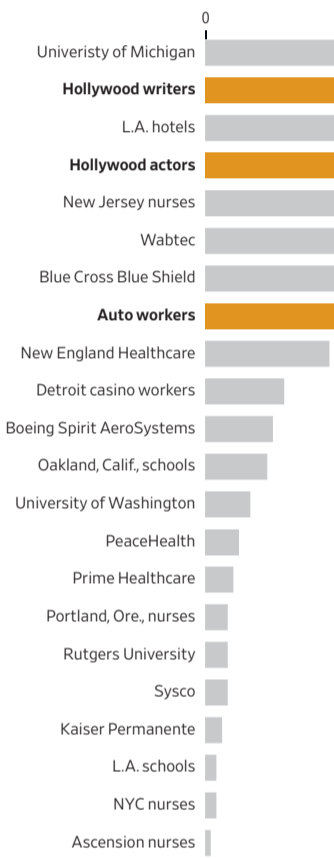
"We believe the acquisition of CrownRock's assets adds to the strongest and most differentiated portfolio that Occidental has ever had," said Occidental Chief Executive Vicki Hollub.

The deal comes more than four years after Occidental splurged \$38 billion to acquire Permian rival **Anadarko**, a

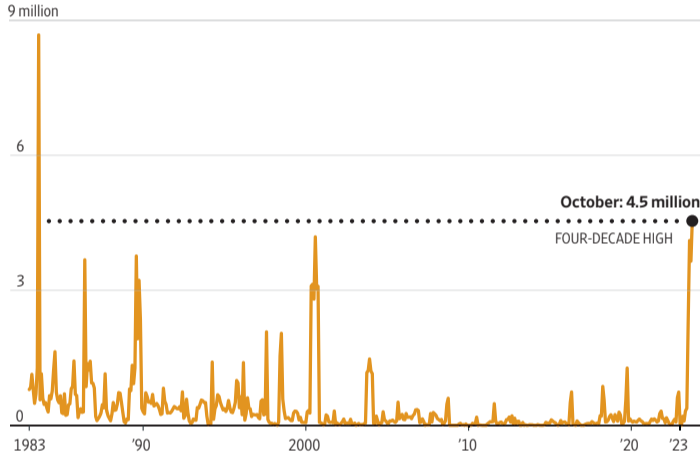
Please turn to page B2

Labor Unions Have Scored Big Wins in 2023

Major U.S. work stoppages in 2023, by duration



Days lost to work stoppages, monthly, 1983-2023



Note: Graphic shows work stoppages that involved 1,000 workers or more. The detailed view of 2023 shows stoppages that began this year and excludes ones that had the same start and end dates. All data are through October, and 2023 data are preliminary.

This year proved to be one of the busiest for strikes in recent years. In October there were 4.5 million days of idleness because of work stoppages nationwide, the most of any month in four decades,

according to preliminary data from the U.S. Bureau of Labor Statistics.

The end of the United Auto Workers' strike helped November's jobs report, with roughly 30,000 jobs added

back to payrolls. The unemployment rate edged lower to 3.7%, near historic lows.

Those stoppages and the threat of other strikes put major pressure on a wide range of industries. That

stress helped workers—from automotive makers to actors, casino workers and package deliverers—score gains such as pay increases and protections from the use of generative AI. **More on B6**

Hasbro to Slash Jobs as Toy Slump Lasts Into Holidays

By **Ben Glickman**

Hasbro is cutting nearly 20% of its workforce as weak sales for toys and games persist into the critical holiday shopping period.

The maker of Transformers action figures, the Dungeons & Dragons fantasy game and Monopoly will cut about 1,100 jobs, on top of 800 layoffs earlier this year, Chief Executive Chris Cocks said Monday in a memo to employees viewed by The Wall Street Journal. Hasbro reported having about 6,500 employees as of the end of 2022.

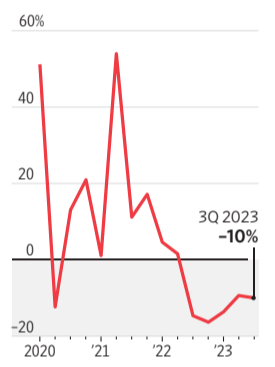
The company expects the latest job cuts to be completed in the next 18 to 24 months.

Cocks said the move was spurred by weaker-than-expected toy sales through the first nine months of the year, which came after sales hit "historic, pandemic-driven highs." The challenges have stuck around through the holiday season and are expected to continue into next year, he said.

"The market headwinds we anticipated have proven to be stronger and more persistent than planned," Cocks said in the memo. "While we're confident in the future of Hasbro, the current environment demands that we do more."

The announcement, just two weeks before Christmas, comes as toy companies enter their busiest time of the year. About half of toy companies'

Hasbro's quarterly revenue, change from a year earlier



Sources: S&P Capital IQ; the company

yearly sales come in the weeks leading up to the holiday, according to analysts, making the period a make-or-break stretch for manufacturers.

Early data point to another weak year for the industry following strong sales during the pandemic years. U.S. toy sales were down 8% through September, according to research firm **Circana**. In November, toy sales fell 10% from a year ago, with a 7% drop in the number of units sold, according to **Circana**.

Hasbro has been hit hard as shoppers pull back. In October, Hasbro said it expected sales to drop up to 15% this year, after previously forecast-

Please turn to page B2

TV Pioneer Writes New Media Playbook

By **Joe Flint**

Times are tough for much of Hollywood. For Brent Montgomery, it has been a banner year.

The founder of an entertainment company with ABC late-night star Jimmy Kimmel on board as a partner, Montgomery produces content for traditional TV networks and streaming services such as Netflix and Hulu. He also backs internet celebrities and manages talent.

His company, **Wheelhouse Entertainment**, sold 20 TV series this year, its highest number ever.

The portfolio at Wheelhouse spans an ABC show hosted by Kelly Ripa, "Generation Gap";

"Love and WWE," a relationship show headed to Hulu starring married wrestlers; Brooklyn Beckham's cooking show, and managing TikTok stars such as Nicky Champa (13.1 million followers) and Jack Wright (11.4 million followers).

In the entertainment cosmos, cable and broadcast TV, streaming and social-media platforms orbit each other but haven't collided. Montgomery, with an eye for the absurd and a keen sense of how consumer tastes are evolving, travels among all of them, aiming to maximize the commercial potential of each.

He previously turned a family of Las Vegas collectors into "Pawn Stars," parlayed

Please turn to page B6

Redstone Weighs Sale of Media Empire

By **Jessica Toonkel**

Shari Redstone has a decision to make: fight or flight.

The media mogul, who controls **Paramount Global** through her family holding company, **National Amusements**, is considering whether to sell the company or keep it and find a way to change its

fortunes.

In recent weeks, Redstone has met with **Skydance Media** Chief Executive David Ellison and Activision CEO Bobby Kotick about a potential sale, according to people familiar with those talks.

Meanwhile, Paramount is bracing for further cost cuts. The company has discussed

laying off more than 1,000 workers early next year, people with knowledge of the discussions said.

A weaker-than-expected ad-sales market has caused the company to more aggressively cut costs to meet its promise to investors that it would deliver positive earnings growth in 2024. The company has

been paring down its head count since earlier this year.

Plus, the company's carriage deals with two of the biggest cable companies in the U.S. are set to expire in the coming months.

That Redstone is discussing a sale of National Amusements after battling with her

Please turn to page B5

U.S. Companies Find It Hard to Quit China

By **Stella Yifan Xie**

HONG KONG—American companies, under heavy pressure to reduce their exposure to China, are increasingly turning to factories in places such as Vietnam, Indonesia and Mexico.

Many are finding it hard to avoid China, however.

Trade data, corporate announcements and new academic research show that a large portion of the products shipped to the U.S. from places such as Southeast Asia and Mexico are being made in factories owned by Chinese companies, which are expanding overseas, in part to avoid U.S. tariffs.

Many other goods finished in smaller countries are being made with key inputs from Chinese suppliers, meaning they wouldn't get produced at all without Chinese involvement.

Those realities underscore the challenge for policy makers and companies seeking to disentangle the U.S. from China's colossal manufacturing



Workers work at Hung Viet garment export factory in Hung Yen province, Vietnam.

machine. Far from decoupling, some supply chains connecting the U.S. and China have merely added another link or two, increasing the complexity and cost.

A study published by the Bank for International Settlements in October found that supply chains between China and the U.S. have turned more complicated since 2021 as

more trade gets rerouted through other places. Yet many goods supplied to the U.S. still originate from China, implying limited progress with

Please turn to page B12

INSIDE



BUSINESS NEWS
Netflix's new play in live sports is a tennis match between Nadal and Alcaraz. **B3**



HEARD ON THE STREET
Macy's buyout could take a Miracle on 34th St. **B13**

TIZIANA FABRI/GETTY IMAGES

KHAN/REUTERS

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	G	O
Alphabet.....A1,B12	Gunvor.....B3	Oakree Capital Management.....B5
Amazon.com.....B12	H	Occidental Petroleum.....B1
Apple.....B12	Hasbro.....B1	Oracle.....B4
Arkhouse Management.....B13	Hess.....B1	P
B	Honda Motor.....B2	Paramount Global.....B1
BDT & MSD Partners.....B5	Humana.....B13	Pioneer Natural Resources.....B1
Berkshire Hathaway.....B2	I	R
Bitcoin Suisse.....B13	Intel.....B2	Riot Platforms.....B4
BlackRock.....B13	Invesco.....B13	S
BP.....B12	K	Shell.....B12
Brigade Capital Management.....B13	Kohl's.....B12,B13	Sigma Healthcare.....B3
ByteDance.....B4	L	Singareni Collieries.....B13
C	LG Energy Solutions.....B2	Skydance Media.....B1
Charter.....B5	Lime Rock Partners.....B1	Star Bulk Carriers.....B5
Chevron.....B1	M	T
Cigna.....B12,B13	Macy's.....B12,B13	Tesla.....B12
Coal India.....B13	Majordomo Media.....B6	U
Coinbase Global.....B4,B13	Marathon Digital.....B4	UnitedHealth.....B13
Comcast.....B5	Mattel.....B2	V
CrownRock.....B1	Meta Platforms.....B12	Venture Global.....B12
CVS Health.....B13	Microsoft.....B12	W
CW.....B3	MicroStrategy.....B4	Warner Bros. Discovery.....B5
E	N	Wheelhouse Entertainment.....B1
Eagle Bulk Shipping.....B5	National Amusements.....B1	
Epic Games.....A1	Netflix.....B3,B5	
Exxon Mobil.....B1	Nordstrom.....B12,B13	
	Nvidia.....B12	

INDEX TO PEOPLE

A	H	R
Arnaudo, Monica.....A6	Harper, Cindi.....B2	Redstone, Shari.....B1
B	Hollub, Vicki.....B1	Riegg, Brandon.....B6
Bakish, Bob.....B5	K	S
Bannister, Barry.....A2	Karatzas, Basil.....B5	Sabel, Michael.....B12
Branch, Richard.....B2	Khan, Nick.....B6	Sammells, Michael.....B3
Buffett, Warren.....B2	Kotick, Bobby.....B1	Sarandos, Ted.....B6
C	M	Simon, Justin.....A2
Catz, Safra.....B4	Mayer, Kevin.....B6	Simpson, Ed.....B6
Cocks, Chris.....B1	McDonald, Jim.....B13	Sonders, Liz Ann.....B12
D	Montgomery, Brent.....B1	Staggs, Tom.....B6
Dingmann, Neal.....B2	N	T
Draho, Jason.....A1	N, Roshia.....B13	Tornqvist, Torbjorn.....B3
Dunn, Timothy.....B1	Neumann, Frederic.....B12	Trott, Byron.....B5
E	Nyman, Eric.....B2	V
Ellison, David.....B1	P	Verrocchi, Mario.....B3
G	Pichai, Sundar.....A4	W
Gance, Jack.....B3	R	White, Wilson.....A1
Goodwin, Lauren.....A2	Ramsunder, Vlkesh.....B3	Z
		Zaslav, David.....B5

Hasbro to Cut Jobs as Toys Slump

Continued from page B1
ing a 3% to 5% decline. The lowered view came as the company posted its fourth consecutive quarterly loss on a 10% drop in third-quarter sales.

Meanwhile, Barbie maker **Mattel**, boosted by the runaway success of the "Barbie" movie, has weathered the toy sales downturn, breaking a sales slump in the latest quarter. The El Segundo, Calif.-based company, which also makes Hot Wheels cars and Polly Pocket toys, expects sales for 2023 to be flat compared with 2022, despite forecasting a decline in the toy industry.

Sales of Barbie toys surged in the third quarter after "Barbie" roped in over \$1.4 billion worldwide at cinemas, according to Box Office Mojo. Shares for Hasbro and Mattel fell 4% and 3%, respectively, in after-hours trading. Hasbro is down 20% this year, while Mattel is up 5.4%.

Hasbro unveiled over a year ago that it planned to cut costs across its business to

grow its profit. An earlier round of layoffs and the departure of operating chief Eric Nyman followed shortly after.

Cocks has looked to return the storied toy maker to its core toy and game business and appeal to consumers of all ages, including adults. The company in August said it would sell its eOne film and entertainment business to production company Lions Gate Entertainment for about \$500 million.

Toy makers have worked to recover as their sales slump after a surge in 2020 and 2021. Hasbro and other toy manufacturers have been plagued by bloated inventories and softer demand from inflation-pinched consumers.

In a regulatory filing, Hasbro said the layoffs were expected to save \$100 million in costs a year. The company expects \$40 million in severance-related expenses.

Cocks said in his memo that some employees in roles being cut had already been notified or would be told within 24 hours. He said a majority of employees being let go would be notified in the next six months.

Hasbro also plans to vacate its Providence, R.I., office by January 2025. Cocks said the building wasn't used at full capacity, and teams would be transferred to its nearby Pawtucket, R.I., headquarters.

Hollub routinely consults with Buffett about business decisions. An Occidental corporate jet late last month flew to Omaha, Neb., home to Berkshire Hathaway, according to flight-tracking website ADS-B Exchange.

Under Hollub, the company has developed ambitious plans to suck carbon dioxide out of the atmosphere, an effort the CEO sees as enabling her goal to produce so-called net-zero oil.

Neal Dingmann, an analyst at investment bank Truist Securities, said that Occidental had been able to harvest huge amounts of crude from its Permian wells and that the company should be able to extract savings from the CrownRock wells by applying operational savvy.

"They seem to be as good an operator as any, if not one of the best operators out there," he said.

Lime Rock, a Houston private-equity firm, first invested in CrownRock in 2007. It later raised a nearly \$2 billion fund to buy CrownRock outright in 2018.

BUSINESS & FINANCE



Above, construction at an Intel site in Ohio's Licking County in October. Middle, attendees at a Honda recruiting event at Columbus State Community College that month. Bottom, a student at the school uses a VR headset at a recruiting event.

Big Factories Struggle for Workers

By JOHN KEILMAN

COLUMBUS, Ohio—Enormous factories are sprouting outside this capital city. Now comes the hard part: finding people to work in them.

Columbus has one of Ohio's lowest unemployment rates and a flourishing logistics industry that competes for the same employees. The region's plants have thousands of open positions.

U.S. manufacturers have long struggled to find all the employees they need. The coming wave of megafactories could push the shortage into a crisis, executives and industry officials say.

In central Ohio, Intel is building two semiconductor plants, and Honda and LG Energy Solution are building a \$3.5 billion electric-vehicle-battery plant. The companies aim to hire more than 5,000 workers between them, and local suppliers serving the factories likely will need thousands more.

That leaves smaller manufacturers bracing for an intensifying labor battle.

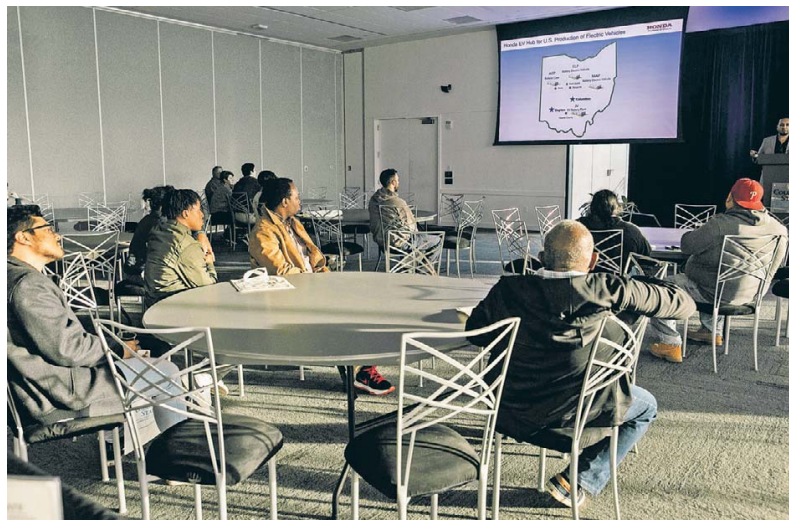
"Workforce is the No. 1 problem anywhere we go in Ohio, and it's more so in central Ohio," said Ryan Augsburger, president of the Ohio Manufacturers' Association.

The U.S. is experiencing a factory-building boom as companies, burned by overstretched supply chains during the pandemic, reshore some operations.

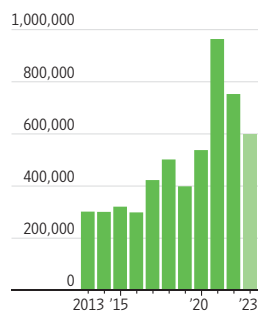
The Biden administration also has given priority to the nation's semiconductor and EV industries, calling them matters of national security and setting aside billions of dollars in subsidies to aid their growth.

The value of new manufacturing-construction projects hit a record \$102 billion last year, triple 2019's total, according to Richard Branch, chief economist of Dodge Construction Network.

Intel last year picked a site northeast of Columbus for its first new semiconductor complex in 40 years. The two plants, known as fabs, are among 37 new or expanding chip-manufacturing facilities announced in the U.S. since



Total U.S. manufacturing job openings in October for each year



Note: 2023 is preliminary. Source: Labor Department

the 2020 introduction of legislation that became the \$53 billion Chips and Science Act.

The Semiconductor Industry Association warns that the building boom could come with a labor shortage. More than half of the roughly 115,000 new positions expected to be created by the end of the decade could go unfilled, the group projects.

Cindi Harper, Intel's vice president of talent planning and acquisition, said it has experience building workforces at its facilities in Oregon, New Mexico and Arizona. It has helped to design a training curriculum that will be offered at Ohio's community colleges. The initial cohort of seven

men and one woman began this fall at Columbus State Community College. The class includes Forest Colegrove, a 27-year-old professional caregiver who shook off bad experiences with previous factory jobs to enroll in the program.

"This is a different type of manufacturing," he said. Honda, which already has four plants in Central Ohio, is talking to community-college presidents, public-school administrators and workforce-development officials to develop pathways to its EV joint venture, a spokesman said.

Representatives of both companies came to Columbus State in October for a manufacturing career day aimed at

high-school students. Deeksa Kasirajan, a 17-year-old senior at Dublin Scioto High School, joined a crowd around Intel's booth. She had come to the career day to learn about manufacturing but heard nothing to shake her plan to become a biomedical engineer.

"I'm more interested in something that's more innovative and not repetitive," she said.

Manufacturers have tried to chip away at that perception. Ned Hill, an economic development professor at the Ohio State University, said Rust Belt residents have strong memories of old-school assembly lines.

Occidental To Acquire CrownRock

Continued from page B1
move that saddled the company with debt and put it on the brink of bankruptcy when Covid-19 lockdowns sent oil prices spiraling downward.

The company has since recovered, earning the best-performing spot in the S&P 500 last year as oil prices soared following Russia's invasion of Ukraine.

The company reported a record profit of \$13.3 billion in 2022. It has shaved some \$20 billion in long-term debt since the Anadarko deal.

Warren Buffett's Berkshire Hathaway, which had helped Hollub finance the Anadarko deal, boosted its stake in Occidental and now owns around 26%, according to FactSet. Buffett has lauded Hollub's leadership.

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BUSINESS NEWS

Netflix to Stream Tennis, With Nadal Facing Alcaraz

Executives had largely resisted the live-sports trend, citing the cost

By JOSEPH PISANI

Netflix will stream a one-night tennis exhibition match featuring Rafael Nadal and Carlos Alcaraz, the company's latest foray into live sports.

Nadal, winner of 22 Grand Slam men's singles titles, and Alcaraz, the current No. 2 ranked men's player, will face off in a match next year, the company said Monday.

The event, called "The Netflix Slam" will take place in Las Vegas on March 3 and stream live. Other players and matchups will be announced later, Netflix said.

Streaming companies have been adding sports events to their platforms because they represent one of the rare types of programming people watch live. That appeals to advertisers, who want their ads in front of viewers who are watching for hours.

Amazon.com's Prime Video and Alphabet's YouTube have paid hefty prices to stream live National Football League games. Comcast's Peacock streams Premier League soccer and carries Big Ten football.



Tennis legend Rafael Nadal, 37, has been away from the sport for a year dealing with injuries.

Netflix executives have largely resisted the live-sports trend because of the escalating costs of sports rights.

Last month, Netflix streamed its first live sporting event, "The Netflix Cup," a golf tournament with athletes from "Drive to Survive," its Formula One documentary, and "Full Swing," its show about professional golfers.

Netflix has also had discussions about airing a live boxing match, The Wall Street Journal reported last month. Streaming live sports could bolster Netflix's new ad business, which has grown slowly. The company launched a plan with ads a year ago that is cheaper than its other service tiers.

The tennis match between the two Spaniards—one a legend nearing the end of his career, the other a young player bringing new energy to the

world's biggest energy traders are positioning for a future in which gas and electricity trading grow in size relative to oil and coal. Gunvor is already a huge trader in liquefied natural gas after an early bet on the supercooled fuel by owner Torbjörn Törnqvist.

The trading house is flush with cash after reaping massive profits from haywire commodity markets in recent years. Like rivals such as Glencore, Gunvor seeks to invest in industrial assets that boost the core trading business, for example by yielding intelligence about supply and demand in key markets.

Gunvor remains a massive oil trader and owns two European refineries as well as a quarter of a Russian petro-

leum terminal—a reflection of the world's glacial progress in weaning itself off fossil fuels to limit climate change.

But it also sees potential in the shift toward cleaner energy. Gunvor plans to build a sustainable aviation-fuel facility in Rotterdam, the Netherlands, and is also building a hydrogen-import terminal in the Dutch port.

The firm, like many other commodity traders, doesn't have outside shareholders who could push it to pivot from fossil fuels. But Gunvor does face pressure from lenders that fund trades. ING Groep, the biggest commodity trade finance bank, said this year it would cut the volume of traded oil and gas that it finances by 19% by 2030.

Sigma, Pharmacy Group to Merge

By STUART CONDIE

SYDNEY—Australian drug supplier **Sigma Healthcare** agreed to merge with privately owned pharmacy operator **CW Group**, creating a listed company valued at more than 8.8 billion Australian dollars (US\$5.79 billion).

Sigma on Monday said it would pay A\$700 million in cash and issue sufficient new shares for CW Group, the operator of Australia's prominent Chemist Warehouse pharmacy chain, to own 86% of the combined company. Shareholders of Sigma, which has a market capitalization of A\$810.4 million, would own the remainder.

Sigma secured a new A\$1 billion debt facility to fund the cash component of the deal and to refinance CW Group's current debt. It also plans to raise A\$400 million in equity through a fully underwritten entitlement offer.

The merger will create a combined healthcare wholesaler, distributor and retail pharmacy franchiser, Sigma said. The company would be one of the 50 largest companies on Australia's bench-

mark S&P/ASX 200 index.

The companies expect to realize about A\$60 million in annual cost savings within four years of the merger. CW Group operates about 600 stores, mostly under the Chemist Warehouse brand.

"With Sigma having had a commercial relationship with CWG and its founders spanning more than 40 years, we are excited by the efficiencies, synergies and growth opportunities that we anticipate being unlocked," Sigma Chairman Michael Sammells said.

Sammells will chair the combined entity, with Sigma Chief Executive Vikesh Ram-sunder becoming CEO.

CW Group co-founder and Chief Executive Mario Verrocchi will continue to lead

the pharmacy business and will become an executive director.

CW Group co-founder Jack Gance will also be on the board.

Sigma shareholders HMC Capital and HMC Capital Partners Fund will support the merger, which is subject to approval by Australia's competition watchdog.

The company would be one of the 50 largest on the S&P/ASX 200 index.

Oil Trader Gunvor Moves Into the Power-Generation Business

By JOE WALLACE

As diplomats haggle over the future of fossil fuels at the COP28 conference in Dubai, look to Spain for a sign of the changes under way in the world's energy mix.

Commodities trader **Gunvor Group**, run from Switzerland, said it has agreed to buy a 75% stake in a power plant near

Bilbao, in northern Spain, from Britain's BP for an undisclosed sum. It is the first time the privately owned trading house, which made its name and fortune trading Russian oil, has invested in power generation.

The Bahia De Bizkaia Electricidad plant burns natural gas imported by sea, so it is hardly free of fossil fuels.

Still, the deal shows how

world's biggest energy traders are positioning for a future in which gas and electricity trading grow in size relative to oil and coal. Gunvor is already a huge trader in liquefied natural gas after an early bet on the supercooled fuel by owner Torbjörn Törnqvist.

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BY VIRTUE OF DEFAULTS UNDER that certain Loan and Security Agreement, dated as of April 13, 2022, (as amended, supplemented or otherwise modified from time to time, the "Loan Agreement") between, PolySign, Inc. ("Polysign" or the "Pledgor"), and Boathouse Capital III LP (the "Agent"), pursuant to which the Pledgor granted a security interest in all of its rights, title and interest in, to and under, among other things, the collateral described below to the Agent. Reference is hereby made to that certain Intellectual Property Security Agreement, dated as of April 13, 2022 (as amended, supplemented or otherwise modified from time to time, the "PolySign IP Security Agreement") by and among the Pledgor and the Agent. Reference is further made to that certain Intellectual Property Security Agreement, dated as of April 13, 2022 (as amended, supplemented or otherwise modified from time to time, the "MG Stover IP Security Agreement," together with the PolySign IP Security Agreement, the "IP Security Agreements", and the assets pledged thereunder, the "IP Assets") by and among MG Stover LLC.

NOTICE IS HEREBY GIVEN that the Agent, by Ronald M. Caspert, Caspert Management Co., Inc., Licensed Auctioneer, DCA No. 0869125, will sell the collateral hereafter described at a public auction (the "Public Auction") on January 5, 2024 (the "Auction Date") at the offices of Latham & Watkins, 1271 Avenue of the Americas, New York, NY 10020. The Public Auction will also be available online and by telephone. Remote access details can be requested from Lakewood Advisors, LLC ("Lakewood Advisors"), financial advisor to the agent, using the contact information below.

Said Public Auction will commence at 10:00 am Eastern Time, at which time the following collateral shall be sold: (i) that certain 100% equity interest in PolySign Cayman Ltd., a Cayman Islands corporation; PS International, a Cayman Islands exempted company; Standard Custody & Trust Company LLC, a New York limited liability company; PolySign Capital LLC, a Wyoming limited liability company; AtomicNet, Inc., a Delaware corporation; and Polysign Acquisitions, Inc., a Delaware corporation (collectively, the "Issuers") and (ii) the intellectual property assets pledged under the IP Security Agreements (the "IP Assets"), including certain trademarks and patents relating to blockchain, distributed ledger system, and master key escrow process. The Issuers are direct and/or indirect subsidiaries of the Pledgor, a California corporation that is in default on indebtedness extended by a lender. The equity interests of Pledgor in each of the Issuers and the IP Assets were pledged to secure this indebtedness and are being sold as part of a foreclosure process. Participation at the Public Auction will be subject to certain eligibility requirements and terms and conditions established by the Agent. Persons interested in participating in the Public Auction should contact Lakewood Advisors no later than seven (7) days prior to the Auction Date.

The purchase price for the above described collateral shall be payable by wire transfer drawn on US banks in same-day funds or by certified or bank check drawn upon a US bank as follows: a ten (10%) percent deposit is required with a successful bid by the highest qualified successful bidder and the balance of the purchase price shall be payable within twenty (20) days and the sale shall be subject to the further conditions set forth in the terms of sale which are available upon request from the Agent or Lakewood Advisors and such revisions thereto as may be announced prior to or at the start of the auction. Copies of documentation available to the Agent concerning the collateral will be made available to qualified bidders, who have entered into a confidentiality agreement, from Lakewood Advisors.

The Agent reserves the right to bid, to become purchaser at the sale and, without deposit, to credit against the purchase price all sums related to the Secured Obligations under the Loan Agreement and to adjourn, delay or terminate the sale at any time. The collateral will be sold "as is" and "where is" and without any implied or express representation, warranty or covenant, including without limitation any warranty relating to title, possession, quiet enjoyment, or the like, in the disposition of any or all of the collateral.

The collateral will be sold as a block, but the Agent reserves the right to consider proposals to only acquire certain business segments or assets. Among other requirements, the purchaser at the sale will be required to represent that the collateral is being acquired for the purchaser's own account and not with a view to the sale or distribution thereof and that the collateral will not be resold unless pursuant to an effective registration statement under the Securities Act of 1933 (the "Act") and any applicable state securities laws or under a valid exemption from the registration requirements of the Act and such laws. The purchaser will also be required to provide the Agent with an investment letter.

Please direct all inquiries with respect to the collateral to:

LAKEWOOD ADVISORS, LLC
570 Lexington Ave. Suite 3300, New York, NY 10022
Attention: Edward Grebow
Email: egrebow@lakewoodadvisors.com



The Southeast Asia deal comes as TikTok has also expanded its e-commerce service to all of its 150 million users in the U.S.

TikTok Lays Out \$1.5 Billion to Re-Enter Key Indonesia Market

BY BEN OTTO

Bytedance's TikTok will invest more than \$1.5 billion in a deal with GoTo Group that will allow the Chinese video-sharing app to resume retail operations in Indonesia, one of its most successful e-commerce markets.

The companies said Monday that TikTok Shop Indonesia and GoTo's Tokopedia e-commerce platform will be combined under the existing Tokopedia entity, with TikTok taking a 75% controlling stake.

Tokopedia will buy assets and rights of TikTok's Indonesian shopping business for \$340 million, while TikTok will pay \$840 million to subscribe to new shares for its stake in Tokopedia, according to regulatory filings by GoTo.

The filings showed that Tokopedia, Indonesia's largest online shopping platform, will also receive a promissory note from TikTok for \$1 billion for future working-capital needs.

The deal is expected to close in the first quarter of 2024.

Shares of GoTo and Tokopedia closed down 20% Monday, taking them into negative territory for the year.

The agreement comes as TikTok, owned by Beijing-based Bytedance and known mainly for its viral short-form videos, has been seeking to leverage its rising

global popularity and China's position as the world's factory floor to compete in the online retail space known as social commerce.

Indonesia had been one of TikTok's more successful markets after launching in 2021, but the company was forced to shut retail offerings in October after Jakarta authorities banned online shopping on social-media platforms, a move intended to protect small merchants from e-commerce competition.

The tie-up with GoTo returns TikTok's shopping services to the world's fourth-

most populous nation and the largest economy in a region where the app has made inroads. Across Southeast Asia, TikTok said it has a monthly user base of 325 million and 15 million businesses.

The return also comes as TikTok makes progress on another major front: the U.S. In September, the company expanded its e-commerce service to all of its 150 million users in the U.S., the app's largest market, after months of testing, delays and uncertainty amid strained U.S.-China relations.

Globally, TikTok aims to increase the total amount of goods sold on its platform, or gross merchandise value, to \$20 billion this year from less than \$5 billion in 2022, The Wall Street Journal has reported.

The Chinese-owned app takes a 75% stake in an e-commerce platform.

Oracle's Revenue Misses Estimates

BY DENNY JACOB

Oracle reported second-quarter revenue that missed Wall Street's expectations, sending its shares down.

The stock fell 6.9% in after-hours trading Monday. Shares were up about 41% year to date through the close.

Analysts expected the business-software giant to log higher top-line growth in the quarter ended Nov. 30.

The company saw its bottom line grow as demand increased for its cloud infrastructure and generative artificial intelligence services, according to Chief Executive Safra Catz.

Sales grew by 5% to \$12.94 billion, short of the \$13.05 billion expected by analysts polled by FactSet.

Oracle saw its bottom line climb to \$2.5 billion, or 89 cents a share, from \$1.74 billion, or 63 cents a share, a year earlier.

Analysts expected net income of \$2.72 billion and earnings of 91 cents a share.

Stripping out one-time items, adjusted earnings came in at \$1.34 a share, slightly above estimates of \$1.33 a share.

Cloud revenue surged 25% to \$4.8 billion.

Oracle's shares rose 1.3% during Monday's regular session.

Bitcoin's Price Slides, Sinking Crypto Stocks

BY VICKY GE HUANG

The price of bitcoin dipped below \$41,000 on Monday after surging to its highest level in nearly two years last week.

The largest cryptocurrency slid 7.3% in 24 hours, according to CoinDesk. The price of ether declined 7.3% to \$2,184.

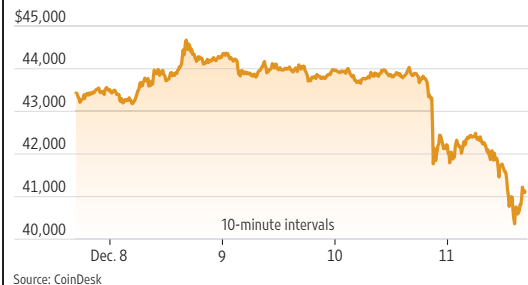
The broad-based decline wiped out more than \$460 million of bets on cryptocurrencies' rise in the previous 24

hours, according to Coinglass data.

Crypto-linked stocks, which tend to rise and fall in tandem with bitcoin, also dropped. Shares of **Coinbase Global**, the largest U.S. crypto exchange, fell 5.9%. **MicroStrategy**, a bitcoin-buying software intelligence company, plunged 7.3%.

Bitcoin miners **Marathon Digital** and **Riot Platforms** fell 12.7% and 11.4%, respectively.

Bitcoin price, past five days



Source: CoinDesk

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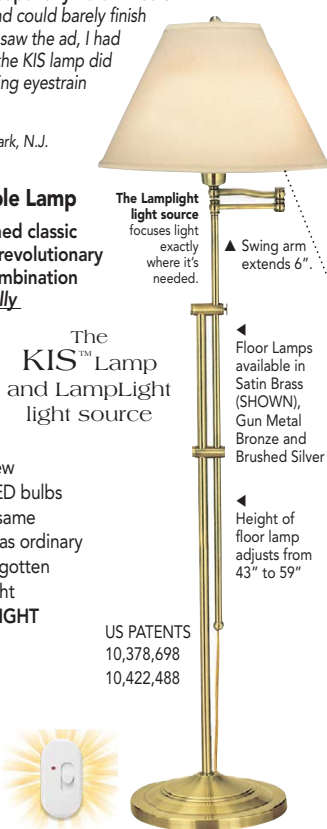
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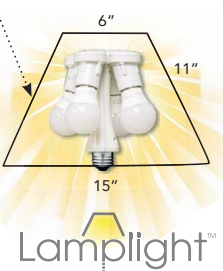
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BUSINESS NEWS

Redstone Considers Selling

Continued from page B1
late father, Sumner Redstone, his girlfriends and senior company executives for control, is a sign of the difficult choices media executives are confronting. Paramount's once-lucrative cable channels are in structural decline, Hollywood is still recovering from monthslong actor and writer strikes that froze productions, and its flagship Paramount+ streaming business continues to burn cash.

Redstone wants to devote time to nonmedia pursuits. She has become more involved in organizations that oppose antisemitism since Hamas's Oct. 7 attacks on Israel, according to people familiar with the situation. She also recently built a house in the Caribbean, where she hopes to spend more time with her family.

She had hoped Paramount's stock would rebound before entertaining offers. Paramount's shares were down almost 12% this year to \$15 a share Thursday, before a report from newsletter Puck that Skydance was discussing buying National Amusements. The stock closed on Monday at \$16.24.

Many of the potential buyers for Paramount, which owns cable networks such as Nickelodeon and BET and broadcast network CBS, are primarily interested in its movie studio. That is a non-starter for Redstone, who is adamant that Paramount Pictures, the crown jewel of the company and an asset her father insisted on keeping, not be sold on its own.

Adding to the urgency are coming distribution deals for networks such as MTV and Nickelodeon with Comcast and Charter. Paramount's deal with Comcast expires at the end of this month, while its Charter agreement is set to end this spring, according to



That Shari Redstone is even considering a sale is a sign of the difficult choices media executives are confronting.

some of the people familiar with the situation. Renewing those deals is critical for Paramount to continue to have its TV networks beamed into households across the U.S.

Earlier this year, Disney's networks, which include ABC and ESPN, went dark for more than a week as a result of a dispute with Charter over their carriage deal. In the end, Charter agreed to pay Disney more for its TV channels in return for being able to provide its streaming services to its cable subscribers. As part of that negotiation, Charter dropped eight Disney networks, including Freeform.

Entertaining suitors

Buyers that have considered a play for National Amusements' assets include billionaires, studios, streamers and private-equity firms.

Kotick, who is set to step down as CEO of Activision as part of Microsoft's acquisition of the company at the end of the year, met with Redstone in recent weeks about potentially buying National Amusements, said people familiar with the situation. Discussions haven't progressed.

Netflix executives have broached the idea of a poten-

tial deal for some assets National Amusements controls as recently as this year, though conversations have cooled as the streamer focuses on its efforts to limit password sharing, according to people familiar with the situation. The streamer was particularly interested in Paramount's movie studio, Paramount Pictures, home to hits such as "Mission Impossible," and "Top Gun," some of the people said.

SkyDance's Ellison, with its investor RedBird Capital, also expressed interest in Paramount's movie studio in recent weeks and is open to a deal for all of National Amusements to get it, those people said. Skydance and Paramount have worked together on several projects including "Top Gun: Maverick," as well as other hits.

Puck earlier reported that Skydance and RedBird were discussing acquiring National Amusements.

Then there is Warner Bros. Discovery, whose chief executive David Zaslav has weighed the pros and cons of making a run at Paramount, according to people familiar with his thinking. In addition to its studio, Paramount owns CBS, which carries National Foot-

ball League games and long-time hits with high ratings such as "NCIS."

Both are appealing to Warner, and there could be billions of dollars in savings by integrating the companies, but adding more cable networks to the company's own large stable is a turnoff. Plus, a deal would likely involve adding debt to the company's already significant load after its merger with Discovery.

Zaslav, who has dinner with Redstone a few times a year, so far hasn't pursued a deal. The Warner CEO said on a November earnings call that the company could be on the hunt for deals soon.

"We could be really opportunistic over the next 12 to 24 months," Zaslav said.

Future ready

Redstone has tried to keep National Amusements' finances in check as she plots its future.

Merchant bank BDT & MSD Partners, founded by former Goldman Sachs banker Byron Trott, took a \$125 million preferred-equity investment in National Amusements in May to give the company additional liquidity after Paramount cut its dividend for the

first time in years, the Journal reported. Dividends are a key source of income for the Redstones.

National Amusements paid down 20% of the roughly \$250 million outstanding loan to its creditors in September, the Journal reported. The company is obligated to pay down an additional 15% in March.

Redstone and Paramount CEO Bob Bakish have so far been eager to only sell non-core assets and keep as much of the company intact as possible. Paramount sold Simon & Schuster earlier this year, and declined offers for other assets, including a \$3 billion offer for Showtime last year.

Paramount has focused on partnerships and bundling its Paramount+ streaming service with rivals.

The ad-supported version of Paramount+ is available at no cost to members of Walmart's \$98-a-year membership program, to some Verizon customers through a bundle with Netflix and to Delta SkyMiles members on flights. The company has had discussions with Apple about bundling with its Apple TV+ streaming service, as the Journal previously reported.

—Joe Flint contributed to this article.

Commodity Carriers Agree To Merge

BY COSTAS PARIS

Star Bulk Carriers and Eagle Bulk Shipping said they agreed to merge in an all-stock deal that would create the world's fourth-biggest commodities carrier and make it more attractive to large investors.

Star Bulk, which is based in Athens, and Eagle Bulk shareholders will own 71% and 29% of the combined entity, respectively, the companies said Monday. The deal, which values the merged company at roughly \$2.1 billion, is slated to close next year.

People involved in the deal said the move was backed by Oaktree Capital Management, which until September owned roughly a quarter of both companies.

Oaktree cut its 25% stake in Star Bulk to around 7% and sold its 28% stake in Stamford, Conn.-based Eagle Bulk back to the company.

Shipping companies often have struggled to attract a wide pool of investors, including mutual funds, because their market capitalizations tend to run below \$1 billion. As of Monday, Star Bulk had a market value of about \$1.88 billion and Eagle Bulk's was around \$445 million.

The merger comes as China begins to restock commodities like iron ore and coal from exporters in Australia, Brazil and Indonesia. This has pushed daily freight rates of the largest dry bulkers to more than \$40,000 from \$10,000 in the beginning of the year.

"The dry bulk market continues to be weak, but dry bulk vessel values are fairly strong, which helped the transaction," said Basil Karatzas of Karatzas Marine Advisors.



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BUSINESS & FINANCE

A Sector-by-Sector Breakdown of This Year's Union Wins



Auto workers

Union name: United Auto Workers
Length of strike: 40+ days
Number of workers covered or affected: The UAW represents about 145,000 workers at General Motors, Ford Motor and Chrysler parent Stellantis. The union's targeted strikes hit nine U.S. factories and dozens of parts distribution centers, and they involved more than 45,000 workers.
Month tentative agreements reached: October
Key pay terms or increases: Auto workers won a 25% base pay increase over four years, plus the reinstatement of cost-of-living raises, improved retirement benefits, the right to strike over plant closures and better pay for temporary employees. The union didn't get a 40% raise or a 32-hour work week for a full 40 hours' worth of pay, both items that leaders initially put on the table.
AI and technology-related wins: The UAW fought to bring electric-vehicle battery production under its master agreement at the three automakers. It got partly there. The union convinced Ford and GM to put a few EV and battery plants under its main contract, pending a worker vote for some facilities. However, several key EV facilities were left hanging, and will likely be future organizing battle-grounds.
One surprising thing: The UAW called simultaneous strikes at all three Detroit automakers, talked openly about the back-and-forth at the bargaining table and took an unusually combative tone in its dealings with the company, regularly slamming the CEOs publicly. UAW President Shawn Fain's entire approach to talks was to keep the executives at GM, Ford and Stellantis guessing—and by extension, everyone else.

Las Vegas casino workers

Union name: The Culinary and Bartenders unions
Length of strike: 0 days
Number of workers covered or affected: 40,000
Month tentative agreements reached: November
Key pay terms or increases: Largest wage increase in the union's 88-year history
AI and technology-related wins: Casinos agreed to give workers advance notice and training when they introduce new technology that could affect jobs.
One surprising thing: The union forged the final deal with Wynn three hours before the strike deadline.

Hollywood writers

Union name: Writers Guild of America
Length of strike: 148 days
Number of workers covered or affected: 11,500
Month tentative agreements reached: September
Key pay terms or increases: Studios and streamers agreed to a series of increases in minimums: Most increased by 5% in September, will increase another 4% in the spring and again by 3.5% in May 2025.
AI and technology-related wins: Writers won't lose out on writing credits or compensation when AI tools are used to assist in creating scripts. Writers can use AI tools to write if the company agrees, but employers can't require the use of such tools.
One surprising thing: The union got studios to agree to a minimum number of writers for a show, an issue that studios and streamers initially opposed. Studios agreed to a lower minimum than the union initially sought.



Airline pilots

Union name: Air Line Pilots Association unions and the Allied Pilots Association
Length of strike: No strike
Number of workers covered or affected: Over 45,000 pilots at Delta Air Lines, United Airlines and American Airlines
Month tentative agreements reached: Delta's union leaders reached an agreement in principle in December 2022, and members ratified the deal in March. United's pilot union reached a deal in principle in July, and members approved it in September. Leaders of the union that represents American's pilots had a preliminary deal in May but had to negotiate some elements in response to United's. Members approved the contract in August.
Key pay terms or increases: Pilots won pay increases of 34% to 40% or more over the terms of the new contracts, as well as improvements in schedules, retirement benefits and vacation policies.
One surprising thing: The contracts included "snap up" provisions to ensure that another carrier didn't offer a better deal, bringing pay rates at the major airlines into alignment.



Hollywood actors

Union name: Screen Actors Guild-American Federation of Television and Radio Artists
Length of strike: 118 days
Number of workers covered or affected: 140,000
Month tentative agreements reached: November
Key pay terms or increases: Two wage increases in the inaugural year of the contract that amount to a first-year increase of 11.28%. An additional 3.5% increase in the second year.
AI and technology-related wins: Studios must get actors' permission to use their name or features in creating an artificial version of their likeness that includes one of their recognizable facial features such as their eyes or mouth. They will generally be paid when their likeness is used by generative AI systems and receive the same residuals they would for a physical performance.
One surprising thing: Creation of a bonus on top of increased residuals that funds a pool of money distributed by the union and studios both to actors in hit streaming shows and other union members working on shows that haven't been top performers. The union initially asked for a cut of subscriber revenue from Hollywood studios, but later revised how the bonus pool is funded.

Delivery workers (UPS)

Union name: International Brotherhood of Teamsters
Length of strike: No strike
Number of workers covered or affected: Roughly 330,000
Month tentative agreements reached: July
Key pay terms or increases: UPS pays new part-time workers a wage of \$21 an hour. Existing UPS workers would get a raise of \$7.50 an hour over the life of the five-year contract, including a \$2.75-an-hour pay bump in 2023. UPS drivers will remain the highest-paid delivery drivers in the U.S. with the average top rate at \$49 an hour.
AI and technology-related wins: Vehicles won't be equipped with inward-facing cameras. Driver-facing sensors will only be used for triggering in-cab audible alerts related to distracted driving.
One surprising thing: By the end of the new contract, the average full-time Teamsters-represented UPS driver would make \$170,000 annually in pay and benefits, according to UPS Chief Executive Carol Tomé.

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Firm Writes New Media Playbook

Continued from page B1
 that into a reality TV production powerhouse with credits including "The Real Housewives of New Jersey," and sold it for nearly \$400 million.

In his view, the future of entertainment stretches far beyond content creation: Producers will be financially and operationally entwined with talent, helping them create business opportunities and build their brands. Talent doesn't want to be work-for-hire—they want a partner that will help them expand their brand beyond a single project.

In addition to producing fees and royalties, Wheelhouse has sought stakes in the businesses whose stories it tells. It negotiated a stake in Goldin Auctions, the firm at the center of its Netflix show "King of Collectibles: The Goldin Touch," and secured profit participation with the Agency, the luxury real-estate firm featured in Wheelhouse's reality series "Buying Beverly Hills."

Brandon Riegg, Netflix's vice president of nonfiction series, said Montgomery "has done a good job reinventing what a modern production company should do. You see it all coming to fruition."

Wheelhouse's partnership with celebrity chef David Chang and his **Majordomo Media** is a model of Montgomery's approach. Wheelhouse and Chang initially co-

produced the Hulu cooking-competition show "Secret Chef" and are now teaming up on new content and investments in consumer cooking products.

Across Hollywood, some media companies are trying to buy all or parts of production companies to diversify the range of shows, film and creative talent they develop.

Elisabeth Murdoch's Sister studio takes stakes in production entities, while former Disney executives Tom Staggs and Kevin Mayer launched Candle Media, acquiring several production companies to create a programming portfolio. Few make content and invest in the subjects of it across legacy, streaming and new me-

Montgomery knows that young audiences' attention has shifted away from 30-minute or hourlong TV shows in favor of shorter videos on social media.

"The next wave of talent is coming from the phone, and many will not necessarily have the appetite for long-form content or the staying power of long form," he said. His stable of shows and investments positions him to benefit from the new and old media worlds simultaneously.

Montgomery became intrigued with the creator economy several years ago when actor and Wheelhouse producer John Stamos introduced him to YouTube stars Casey Neistat, famous for stunts such as

snowboarding through the streets of New York, and David Dobrik, whose prank videos helped him attract nearly 18 million followers.

"Their superpower was owning their voice and direct reach to their audience and converting content to commerce," Montgomery said.

Wheelhouse now manages social influencers and often participates in stars' commercial ventures, such as soccer jerseys sold by top Twitch streamer Nick Bartels, who runs soccer-focused channel RunTheFutMarket. Bartels is known for his smarts on player trading.

One of Montgomery's regrets is not landing social-media star Charli D'Amelio as a management client. She became famous for posting dance videos on TikTok, boasting 151.6 million followers, and has appeared in several reality and other TV series. She has also launched fashion and makeup lines.

The company has become known for its frequent gatherings of industry executives, athletes, actors and influencers that are half party, half networking events. Attendees have included Netflix Co-CEO Ted Sarandos, boxer and YouTube star Jake Paul, WWE Chief Executive Nick Khan, Al Pacino, John Mayer and Peyton Manning.

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COMMODITIES

Futures Contracts

Table of futures contracts for Metal & Petroleum, Agriculture, and Cash Prices. Includes columns for contract details, prices, and changes.

Table of futures contracts for Cattle-Live, Hogs-Lean, Lumber, Milk, and various other commodities. Includes columns for contract details, prices, and changes.

Table of futures contracts for Mexican Peso, Index, U.S. Corporate, and Treasury futures. Includes columns for contract details, prices, and changes.

Table of futures contracts for Global Government Bonds, including US, Australia, France, Germany, Italy, Japan, UK, and Emerging Markets. Includes columns for contract details, yields, and spreads.

Cash Prices | wsj.com/market-data/commodities

Monday, December 11, 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.

Table of cash prices for Energy, Metals, Fibers and Textiles, Grains and Feeds, Food, and Fats and Oils. Includes columns for commodity name, price, and change.

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

December 11, 2023
Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table of borrowing benchmarks for Inflation, U.S. consumer price index, and International rates. Includes columns for rate, change, and source.

Money Rates

December 11, 2023
Table of money rates for U.S. government rates and Discount rates. Includes columns for rate, change, and term.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

Table of key interest rates for Federal funds (effective), Commercial paper (nonfinancial and financial), and Treasury yields at constant maturities.

Notes on data: Federal-funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; Commercial paper rates are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; Discount window primary credit rate is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; rate is average for seven days ended Wednesday; Inflation-indexed long-term TIPS average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;

Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, https://www.federalreserve.gov/data/download/Build.aspx?rel=H15

Index Futures

Table of index futures for DJ Industrial Average, S&P 500, and Midcap 400. Includes columns for contract details, prices, and changes.

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks
Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table of bond benchmarks for Broad Market, U.S. Corporate, High Yield, and Mortgage-Backed bonds. Includes columns for benchmark name, yield, and spread.

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table of global government bonds showing yield and spread data for various countries. Includes columns for country, yield, spread, and date.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations
Investment-grade spreads that tightened the most...

Table of corporate debt spreads for Credit Agricole, Morgan Stanley, and others. Includes columns for issuer, spread, and maturity.

And spreads that widened the most

Table of corporate debt spreads that widened the most for Toronto-Dominion Bank, Toyota Motor Credit, and others. Includes columns for issuer, spread, and maturity.

High-yield issues with the biggest price increases...

Table of high-yield issues with the biggest price increases for Dish DBS, UniCredit, and others. Includes columns for issuer, yield, and spread.

And with the biggest price decreases

Table of high-yield issues with the biggest price decreases for Hughes Satellite Systems, Wells Fargo, and others. Includes columns for issuer, yield, and spread.

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; S0: spin-off.

Table of dividend changes for various companies. Includes columns for company name, dividend amount, and record date.

BIGGEST % CHG STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities.

Table of stock symbols and their percentage changes. Includes columns for Stock, Sym, Close, Net Chg, and Stock, Sym, Close, Net Chg.

Table of stock symbols and their percentage changes. Includes columns for Stock, Sym, Close, Net Chg, and Stock, Sym, Close, Net Chg.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Monday, December 11, 2023. Table of stock symbols and their percentage changes. Includes columns for Stock, Sym, Close, Net Chg, and Stock, Sym, Close, Net Chg.

Table of stock symbols and their percentage changes. Includes columns for Stock, Sym, Close, Net Chg, and Stock, Sym, Close, Net Chg.

Table of stock symbols and their percentage changes. Includes columns for Stock, Sym, Close, Net Chg, and Stock, Sym, Close, Net Chg.

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Table of exchange-traded funds (ETFs) with columns for ETF, Symbol, Price, Chg, YTD (%).

Table of exchange-traded funds (ETFs) with columns for ETF, Symbol, Price, Chg, YTD (%).

Table of exchange-traded funds (ETFs) with columns for ETF, Symbol, Price, Chg, YTD (%).

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session.

Table of new highs and lows for various stocks. Includes columns for Stock, Sym, Hi/Low, % Chg.

Table of new highs and lows for various stocks. Includes columns for Stock, Sym, Hi/Low, % Chg.

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MARKETS

Stocks Rise Ahead of New Inflation Data

By SAM GOLDFARB

Gains across a swath of stocks offset declines in big technology stocks, keeping major indexes steady ahead of inflation data.

Monday extended a recent trend: Since a lower-than-expected inflation reading last month, investors have piled into the stocks of moderately sized companies, while cooling on the giant tech firms that had previously driven this year's rally.

The Magnificent Seven stocks of Apple, Microsoft, Alphabet, Amazon.com, Nvidia, Tesla and Meta Platforms each fell at least 0.8%. Meta led the declines, dropping 2.2%. But only one out of 11 S&P 500 sectors fell. Even the information-technology subindex ticked higher, reflecting gains outside of the largest companies in the sector.

0.4%. The Dow Jones Industrial Average also advanced 0.4%, while the Nasdaq Composite ticked up 0.2%.

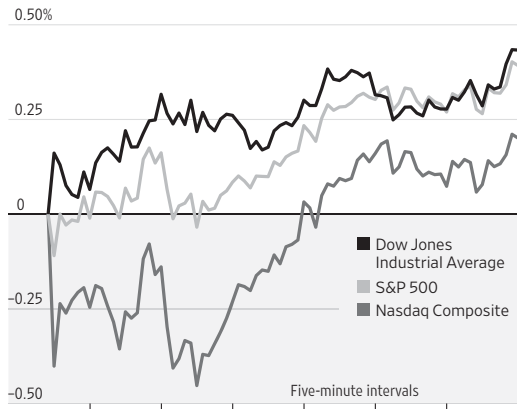
"This year obviously was driven by the Magnificent Seven. I just think that there is money that's kind of itching to find opportunities outside of just those names," said Liz Ann Sonders, chief investment strategist at Charles Schwab.

This week's most important trading sessions lie ahead. Those will begin on Tuesday with the release of November consumer-price-index data, which will show whether inflation continued to cool following last month's encouraging reading for October.

The following day will bring more inflation data with an update on supplier-level prices as well as the Federal Reserve's final interest-rate decision of the year.

With inflation falling, investors don't expect the Fed to raise rates either this week or in the foreseeable future.

Index performance on Monday



Source: FactSet

Bets on rate cuts have helped lift stocks and drag down Treasury yields in recent weeks. That has led investors to wonder if Fed Chair Jerome Powell might push back Wednesday against the market

to prevent a further easing in financial conditions that might stimulate economic growth and make it harder for inflation to fall all the way back to the central bank's 2% target. Department-store stocks

were among Monday's best performers. Macy's surged 19% after The Wall Street Journal reported that an investor group had made an offer to take the company private. That in turn helped lift Kohl's, which rose 7%, and Nordstrom, up 7.2%.

Cigna was the top performer in the S&P 500, rising 17% after it scrapped a tie-up with Humana.

Elsewhere in markets, Treasury yields initially climbed heading into a \$37 billion auction of 10-year notes but fell after the auction was completed, suggesting investors were satisfied with what it showed about demand for longer-term bonds. The 10-year yield finished the session at 4.238%, according to Tradeweb, down from 4.244% Friday.

Overseas, the Stoxx Europe 600 rose 0.3%. At midday Tuesday, Japan's Nikkei 225 was up 0.6%, while Hong Kong's Hang Seng Index and Australia's S&P/ASX 200 were up 0.5%. S&P 500 futures rose 0.1%.

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.

Table with 2 columns: Auction type and Bid amount. Rows include Applications, Accepted bids, noncomp, foreign noncomp, Auction price (rate), and Bids at clearing yield accepted.

Both issues are dated Dec. 14, 2023. The 13-week bills mature on March 14, 2024; the 26-week bills mature on June 13, 2024.

THREE-YEAR NOTES

Table with 2 columns: Auction type and Bid amount. Rows include Applications, Accepted bids, noncompetitively, foreign noncompetitively, Auction price (rate), Interest rate, Bids at clearing yield accepted, and Cusip number.

The notes, dated Dec. 15, 2023, mature on Dec. 15, 2026.

NINE-YEAR, 11-MONTH NOTES

Table with 2 columns: Auction type and Bid amount. Rows include Applications, Accepted bids, noncompetitively, foreign noncompetitively, Auction price (rate), Interest rate, Bids at clearing yield accepted, and Cusip number.

The notes, dated Dec. 15, 2023, mature on Nov. 15, 2033.

Companies Find China Hard to Quit

Continued from page B1

"We have to recognize that there's ongoing mutual interdependence," said Frederic Neumann, chief Asia economist at HSBC.

Since 2018, Washington has placed tariffs on hundreds of billions of dollars of Chinese goods, from shoes to chemicals, as part of a wider effort to reduce American dependence on China. U.S. corporations from Apple to Tesla have shifted some production away from China or encouraged suppliers to follow suit.

Those efforts are helping reduce U.S. reliance on China for some products, such as consumer electronics and furniture, economists say. They have also spurred investments in U.S. manufacturing that have created new jobs for Americans.

According to official U.S. trade data, China accounted for just 13.3% of U.S. goods imports during the first six months of this year—the lowest level since 2003, and far below the annual peak of 21.6% in 2017.

The U.S. and Chinese economies are also decoupling in other ways. Direct U.S. investment into China hit a 20-year low of \$8.2 billion last year, according to Rhodium Group, a New York-based research firm. Some U.S. companies have pulled out of China.

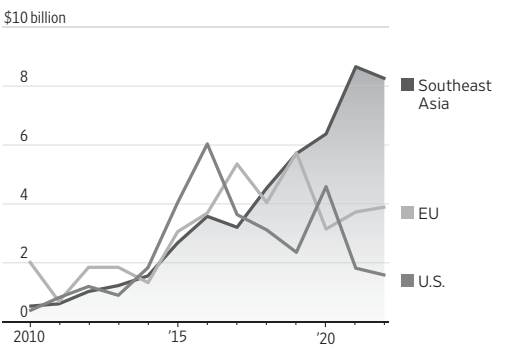
But a closer examination of available data reveals a more complex picture, in which some parts of the economies of U.S. and China are breaking apart, while others aren't. In some cases, U.S. policies are triggering supply-chain adjustments that are actually locking in further dependence on Chinese suppliers, economists say.

In part, that is because Chinese business owners are pouring money into operations in smaller countries, so that when Americans buy from factories in places such as Thailand, sometimes they are actually buying from Chinese companies.

Zhejiang Haers Vacuum

China's manufacturing investment in other Asian economies has risen rapidly in recent years. The country has also ramped up its direct investment in Mexico.

China's outward manufacturing investment by destination, annually



Source: CEIC

Containers, a Chinese producer of thermos cups, built a new factory in Thailand in late 2021. The investment was partly aimed at "preventing potential trade frictions," it said. Some vacuum cups exported to the U.S. from China are subject to tariffs ranging from 6.9% to 7.5%, still below the 25% tariff that was imposed on some imports from the country.

Jason Furniture (Hangzhou), a Chinese furniture maker that exports products under the brand name Kuka Home, opened its second factory in Vietnam's Binh Phuoc province over the past year to make bar stools, ottomans and other products for overseas clients.

Direct investment from China to Southeast Asia reached nearly \$19 billion in 2022, compared with \$7 billion in 2013, with manufacturing investment accounting for the largest share, according to calculations by economists at DBS, a Singapore bank. Chinese direct investment into Mexico was \$232 million in 2021, up from \$42 million a decade earlier, according to CEIC.

When China doesn't own the factories in these places, it often supplies them.

Research by DBS shows China has significantly increased the amount of "intermediate," or partially finished, goods it ships to smaller countries, which then assemble

them into final products before sending them to the U.S.

Rhodium Group said in a September report that rising U.S. imports from Mexico and Vietnam over the past five to seven years were matched closely by an increase in Chinese exports to these markets.

China is merely adjusting its role in global supply chains, rather than relinquishing it, said Neumann, the HSBC economist. He said his research shows exports from China that require inputs from elsewhere fell starting in 2014, while exports from China that feed into production in other countries have risen sharply.

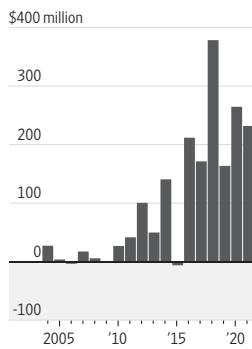
"China is quickly becoming a critical component supplier to the world after years of being largely an end-stage assembler," he said.

Some of China's moves have drawn rebukes from Washington.

The U.S. government in August unveiled new tariffs as high as 254% on solar panel makers after ruling that manufacturers in four Southeast Asian countries illegally bypassed tariffs by using Chinese-sourced materials, and then shipping the final goods to the U.S. without paying duties. Some analysts broadly expect the move to push up costs for U.S. solar projects and slow decarbonization efforts.

Economists say China's push into smaller countries may be

China's outward direct investment in Mexico, annually



Source: CEIC

adding costs to other industries, as more steps are added to the production process.

In a paper published in August, economists Laura Alfaro from Harvard Business School and Davin Chor from the Tuck School of Business at Dartmouth found that between 2017 and 2022, a five-percentage-point drop in the share of U.S. imports from China was associated with a nearly 10% increase in import prices from Vietnam and 3% from Mexico.

U.S. officials have indicated they aren't trying to steer all business away from China, and that their focus is to ensure there are adequate controls in sensitive sectors such as computer chips.

Still, continued heavy reliance on China—even when final goods are assembled elsewhere—could leave some U.S. companies exposed to further business risks if tensions between Washington and Beijing keep rising.

While Apple has been expanding efforts to increase production in India and Vietnam, it still depends heavily on manufacturing capacity inside China.

Apple's share prices took a hit in September after reports surfaced that China had ordered officials at central government agencies not to use iPhones, fueling fears among investors that the American company could face further pressure in China as geopolitical tensions climb.

Some U.S. buyers might conclude that sourcing from a Chinese-owned factory in Southeast Asia or elsewhere is still preferable to buying directly from China.

BP Asks FERC To Intervene In Gas Dispute

By JENNY STRASBURG AND BENOÎT MORENNE

British oil giant BP asked U.S. energy regulators to intervene in an escalating dispute with a startup U.S. natural-gas exporter whose feud with customers has become one of the industry's nastiest battles in years.

BP in a Monday filing with the U.S. Federal Energy Regulatory Commission accused Venture Global LNG of skirting FERC disclosure rules while maintaining "a veil of secrecy around its operations" to the detriment of long-term customers.

The administrative filing asked the regulator to force Venture Global to disclose documents related to its delay in delivering cargoes of liquefied natural gas to BP and other long-term buyers. Amid that delay, Venture Global has profited handsomely from shipping a steady stream of cargoes of LNG cargoes to other buyers at higher prices, surpassing \$14 billion in sales, during a longer-than-normal ramp-up for an LNG plant.

BP said in the filing that the reasons Venture Global has given for postponing selling cargoes to long-term customers "are disingenuous and are not credible." The company wants FERC to force the release of documents about Venture Global's plant on Louisiana's Gulf Coast that the company has asked to keep confidential.

BP already has a private arbitration claim against Venture Global, which it filed in December 2022, a spokesman previously told The Wall Street Journal.

"Venture Global's conduct has shaken confidence in the trustworthiness of LNG suppliers at a critical time, and is harming the stability and

growth of the LNG industry," BP said Monday.

In response, Venture Global spokeswoman Shaylyn Hynes said in a statement that the complaint had no merit and described it as an attempt to use a federal energy regulator to advance BP's own interests in a commercial dispute.

"BP's repeated efforts to publicize that dispute show the weakness of its contractual position," she said, adding that Venture Global would be submitting a formal response to the complaint to FERC in due course.

Arlington, Va.-based Venture Global surprised many industry insiders by building one of the world's largest gas exporters within a decade. It pulled that off, in part, thanks to early long-term supply contracts signed with BP, Shell and other big buyers.

The contracts helped Venture Global obtain financing for the construction of its first LNG terminal, known as Calcasieu Pass.

BP, Shell and others argue that Venture Global is renege-

ing on these contracts while taking advantage of rallying natural-gas prices since Russia's February 2022 invasion of Ukraine. Venture Global has shipped more than 200 LNG cargoes since the start of March 2022 but has yet to start delivering chilled gas to BP and others under those early agreements.

Venture Global's chief executive officer, Michael Sabel, told the Journal last month that industry incumbents are bullying the company as it is shaking up the way business is done. "We are so busy executing, and winning, and being successful," Sabel said in a late-November interview at Venture Global's second LNG plant near New Orleans.

Mutual Funds

Data provided by LIPPER

Table with 2 columns: Fund Name and Net YTD % Change. Lists top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

Table with 4 columns: Fund Name, NAV, Net YTD % Change, and Fund Name, NAV, Net YTD % Change. Lists mutual funds under the heading 'Monday, December 11, 2023'.

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Macy's Buyout Could Take a Miracle on 34th St.

Department-store deals have a spotty history, but shareholders would be getting a good price

A suitor has shown up at **Macy's** door. As any shopper knows, though, wanting to buy something is one thing and being able to afford it is another.

Real-estate-focused investing firm **Arkhouse Management** and global asset manager **Brigade Capital Management** on Dec. 1 submitted a proposal to purchase Macy's stock they don't already own, *The Wall Street Journal* reported on Sunday. Their offer price is \$21 a share, 21% higher than where Macy's stock closed last Friday.

That values Macy's at \$5.8 billion—a decent premium representing about 0.25 times forward 12-month revenue. The valuation would be 32% higher than **Nordstrom** on the same measure and 47% more than **Kohl's**. Macy's shares rose sharply on Monday, but are still just shy of the offer price. An investment bank reportedly has

provided a letter supporting the investor group's ability to raise the necessary financing, but that is far from a guarantee. Department-store buyouts have a wobbly record. Last year, Franchise Group's offer to buy Kohl's fell apart; the company at the time blamed a choppy financing market and the retail industry.

In 2017, Hudson Bay's attempt to buy Macy's went nowhere because the prospective buyer couldn't line up the financing. That same year, the Nordstrom family's effort to take its namesake department store private unraveled because it had trouble raising debt at a reasonable cost. Interest rates, of course, are a lot higher today than they were in 2017 and 2022.

Among peers, Macy's has the healthiest-looking balance sheet, with a ratio of net debt to earnings before interest, taxes, depreciation



The offer values Macy's 32% more than Nordstrom on forward 12-month revenue and 47% more than Kohl's.

and amortization of 2.7—lower than Kohl's and Nordstrom. Its \$3 billion of long-term debt is greatly reduced from the \$7 billion it carried back in 2017.

The company's multiyear store-pruning process has paid off, with Macy's delivering a return on invested capital of 7% for the 12-month period ended Oct. 28, according to FactSet. Nordstrom returned 2.4% over the comparable period, while Kohl's delivered negative returns.

Importantly, Macy's still owns valuable real estate, including its flagship in New York City.

Macy's is unlikely to attain a much higher premium in the public market. A spinoff of its e-commerce operations or real estate, both proposed in the past, might provide a quick boost, but would only be short-term fixes to a business model in decline. All department stores' share prices—as a multiple of sales—have been on a

downward path over the past decade as they have lost market share to off-price retailers, direct-to-consumer selling by brands and e-commerce. As of last fiscal year, Macy's revenue was 10% lower than where it was in 2014, not adjusted for inflation.

Given the tough environment for both retail and financing, a deal that crosses the finish line would be a surprise gift for Macy's shareholders. —*Jinjo Lee*

What India Needs to Ditch Coal

India's climate ambitions are a paradox. The South Asian giant has set aggressive targets for clean energy deployment, and is seen as one of the most attractive developing markets for renewable investment. Yet it refuses to turn its back on coal.

India, along with China, has opted out of the Global Renewables and Energy Efficiency pledge at the COP28 climate conference in Dubai—which included a commitment to curtail investment in new coal power. Coal currently meets nearly three-quarters of India's growing energy needs. Moreover, higher electricity capacity will, ironically, be key to survival in its increasingly hot weather as air-conditioning needs rise.

So what does India really need to shift decisively toward low carbon power? For one, money—much of it from the developed world. India also needs to bring domestic coal prices more in line with global markets and to build much more transmission infrastructure, much quicker. The latter would entail

tough reforms to ease bottlenecks such as land acquisition.

During the first nine months of 2023, India installed only 5.6 gigawatts of solar power, down 47% from 10.5 GW during the same period a year earlier, according to energy consulting firm Mercom. Securing transmission connectivity, as in the U.S., has become a major barrier to further expansion.

The slowing solar installations are particularly striking given how quickly the cost of solar power has fallen in India.

The leveled cost of solar photovoltaic power is now 25% lower than coal in India—and the cost of solar there, relative to fossil-fuel based power, has been falling at one of the fastest rates in the world according to Roshna N, a research analyst at Wood Mackenzie.

Solving transmission issues could therefore have a big multiplier effect. The gestation period of transmission infrastructure in India is significantly higher than that of solar or wind projects, notes Wood Mackenzie.

Domestic price distortions are another bottleneck. India's coal prices are nearly 25% to 30% cheaper than low and medium grades of imported coals, according to data from energy data provider OPIS. Between 80% and 90% of domestic production is supplied by state-owned companies including **Coal India** and miner **Singareni Collieries Co.**, often at a substantial discount to global benchmarks. The remaining 10% to 20% is sold through e-auctions at market-driven prices.

Finally, and just as important, India needs financial support from the developed world. India is the world's third-largest energy consumer, a rapidly growing economy and an increasingly important geopolitical and commercial partner of the U.S. But its gross domestic product per capita was less than \$2,400 in 2022 according to the World Bank. The U.S. weighed in at \$76,399.

And the scale of investment required is massive. India aims to add 50 GW of renewable energy capac-

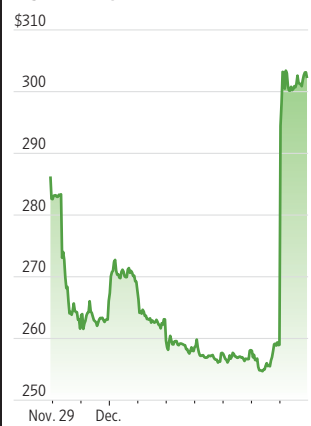
ity annually for the next five years—with an aim to achieve 500 GW of installed electric capacity from nonfossil sources by 2030.

India attracted around \$47 billion of clean-energy investment over the past five years, according to data from BloombergNEF. And unsurprisingly, the issuance of sustainable debt instruments remains concentrated in advanced economies: They accounted for nearly 80% in 2022, according to the International Energy Agency. India debuted sovereign green bonds this year totaling about \$2 billion.

But these are minuscule numbers considering India would need \$1.4 trillion to go carbon neutral by 2070—at an average of \$28 billion a year—according to the New Delhi-based Centre for Energy Finance. Targeting limited dollars toward transmission could provide the biggest bang for buck.

The world needs India's support to win the climate war. Domestic reforms also are needed, but strong-arming or guilt-tripping won't cut it. —*Megha Mandavira*

Cigna stock price



Source: FactSet

Cigna Knows When to Fold Them

One way to get investors to fall back in love with your stock: Threaten to do something really expensive, risky and complicated, then forget about it and go back to business as usual.

That, in a nutshell, is what just happened with **Cigna** over the past two weeks.

After investors initially beat up its stock due to concerns that the health insurer might merge with **Humana**, news over the weekend that it would walk away and instead buy back its depressed stock sent its shares up 17% in a relief rally Monday. The gains from calling off the talks more than made up for the initial losses.

People familiar with the talks told the *Journal* over the weekend that Cigna continues to believe in the merits of a combination with Humana. That makes sense: Joining forces would have given the pair scale across the healthcare services spectrum, marrying Cigna's commercial insurance business and pharmacy-benefit business with Humana's large Medicare segment. That would have given the combined entity scale to rival **United-Health Group** and **CVS Health**.

But investors didn't like this deal because of the significant dilution Cigna shareholders would face in using the company's stock to purchase Humana. The *Journal* reported that Cigna would have been acquiring Humana in a cash-and-stock transaction with a large stock component. Worries about antitrust scrutiny, and the extended length of time such a deal would take to be consummated, also loomed large.

If the companies had gone ahead, the deal was almost certainly going to be challenged by the Justice Department. Although one could argue this deal would help Cigna and Humana better compete with United-Health, healthcare consolidation is being heavily scrutinized in Washington these days.

Sometimes, the best way to win over investors is to stay put. —*David Wainer*

A Spot Ether ETF Wouldn't Necessarily Follow Bitcoin

Giving fund managers easier access to bitcoin is already a contentious topic for regulators. It is nothing next to the Pandora's box that could be opened with its crypto peer ether.

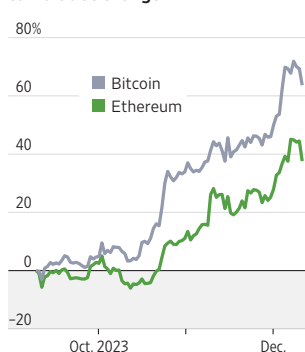
The price of bitcoin has surged roughly 14% this past month to around \$42,000. Investors believe U.S. regulators will soon green light exchange-traded funds, or ETFs, that hold spot bitcoins, bringing billions of dollars into the market.

Ether has gained 10% over the same period. Though officials last week delayed the decision whether to allow spot ether ETFs, whose prospective providers include **BlackRock** and **Invesco**, traders increasingly think it inevitable that whatever goes for bitcoin will go for the second-most-popular cryptocurrency.

The problem is that bitcoin and ether aren't two peas in the same pod. Bitcoin validates transactions by having computer servers, known as miners, solve complex problems. This uses up massive amounts of energy and more water than all of New York City. To solve this conundrum, ether's Ethereum network last year switched to a "proof-of-stake" system. Anyone who owns ether can vouch for the accuracy of transactions and get rewards. The only requirement is to lock up or "stake" their holdings, as one would do with currency in a bank time deposit.

This is a key difference. A spot bitcoin ETF can simply own bitcoin and leave mining to miners. An ether ETF, on the other hand, needs to decide how to deal with the yield that comes from the right to validate. Crypto developers liken this

Price relative to U.S. dollars, cumulative change



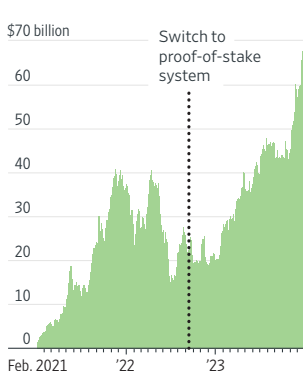
*30-day rolling average
Sources: Kraken (price); Attestant (ether)

yield to the benchmark rate paid by the Federal Reserve on U.S. dollars.

Reality is more complicated. Verifying transactions oneself is a pain, so many prefer to stake through exchanges. Shares of **Coinbase** have shot up since the start of November in part because of expectations that prospective ETF managers will run their portfolios this way. Also, the rewards the Ethereum network offers for staking fall as more ether is staked. A massive influx of funds would push them lower and, because validating has some fixed costs, force many small players out of the market.

There is a big potential risk here for a network that allocates power to those who hold more currency: A few exchanges could gain outside control over the entire ether market. Even if they did nothing nefarious, Ethereum penalizes validators who make mistakes when checking

Total ether staked



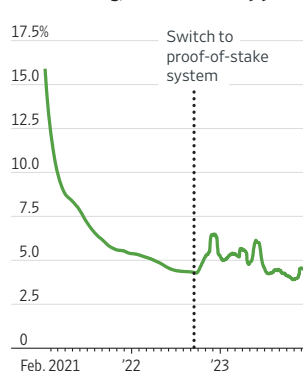
transactions. This has happened 406 times now and last month affected **Bitcoin Suisse**, a firm that caters to institutional investors.

Any snafu from a big player would imply a huge payout. If the ether was held for an ETF that got devalued as a result, "confidence would drop through the floor and regulators would step in," said Jim McDonald, chief technology officer of staking company Attestant.

Alternatively, funds could give their ether to platforms that would allocate it to different validators using "smart contracts," without taking custody themselves. Owners get a "liquid-staking token" that can, as of last April, be redeemed for the real thing.

But smart contracts involve hacking risks, and redemption times can vary. Also, different tokens have different features, with some being far more liquid than

Ether staking, annualized daily yield*

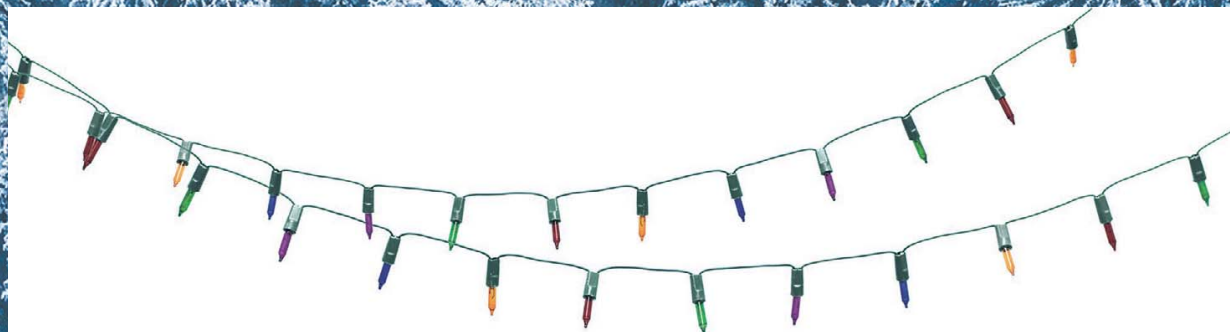


others. This is why investors have gravitated toward using only a few liquid-staking protocols, with Lido now holding a whopping 32% market share. One way or another, institutional money seems likely to centralize power in the ether network—an ironic but common pattern in the supposedly decentralized crypto economy.

To be sure, regulators might set certain terms for spot ether ETFs if they approve them. Still, there seems likely to be an ecosystem of products that look alike but have different, hard-to-understand yields and risks. This is the case with the funds allowed in Canada, such as CI Galaxy Ethereum ETF, Purpose Ether ETF and 3iQ Ether Staking ETF.

Jumping on the bitcoin train is one thing. The following ones have very uncertain destinations.

—*Jon Sindreu*

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