THE WALL STREET JOURNAL.

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What's News

Business & Finance

◆ **Southwest Airlines** canceled hundreds of flights Sunday and more than 100 on Monday after a dense fog snarled operations at Chicago's Midway International Airport, where Southwest is the main carrier. **A3**

◆ **British billionaire** Jim Ratcliffe agreed to buy a minority stake in Manchester United in a deal that values the renowned soccer club at around $6.3 billion including debt and ends more than a yearlong sales process. **B2**

◆ **China's CSI 300** stock index is down about 14% this year, putting it on track for its third consecutive year of declines, as shares joined other Chinese asset classes that disappointed investors in 2023. **B1**

◆ **Dealerships and** price points are among the challenges Amazon is set to face in expanding its online car-buying program beyond a pilot phase for employees starting early next year. **B1**

◆ **Young children's** accelerating preference of YouTube over Netflix for online content is changing the major streaming services' approach to kids' entertainment. **B1**

◆ **U.S. consumers** continue to burn through their pandemic savings and are taking on more debt, as they face high prices on everything from food and housing to entertainment. **B3**

◆ **Billionaire investor** Nelson Peltz resigned from his position at the Simon Wiesenthal Center after the Jewish organization urged people not to buy Ben & Jerry's ice cream. **B9**

World-Wide

◆ **Escalating Iran-backed** attacks against global commercial shipping in the Red Sea have heightened pressure on the Biden administration as officials scramble to protect trade while trying to avoid a direct confrontation with Tehran. **A1**

◆ **The U.S. struck** three drone facilities used by militant groups in Iraq in response to a series of attacks on American positions in Iraq and Syria. **A8**

◆ **Israel's war cabinet** gathered to discuss a three-step plan put forward by Egypt for ending the war in Gaza, Israeli officials said. **A8**

◆ **Lawyers for Trump** asked an appeals court to throw out the case that he illegally sought to undo his 2020 election loss, reiterating his argument that those efforts fell within the ambit of his official duties as president. **A4**

◆ **Jailed Russian** opposition figure Alexei Navalny was moved to a remote penal colony in the country's far north, making it harder for him to organize any meaningful resistance to Putin's plan to remain in power in next year's presidential election. **A18**

◆ **Two federal inspectors** general are investigating whether a nonprofit group involved in high-risk coronavirus research in China double-billed U.S. taxpayers for hundreds of thousands of dollars for that work, according to people familiar with the matter. **A2**

◆ **Harvard faculty called** for members of the university's governing board to step down as the school struggles with reputational damage and demands for the resignation of President Claudine Gay. **A3**

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Ukraine Celebrates Christmas as War Rages On

THOMAS PETER/REUTERS

NEW CALENDAR: Military chaplains lead a Christmas Day service for soldiers near the front line in the Donetsk region, after the nation moved its Christmas celebrations to Dec. 25, as in the West, ending a tradition of celebrating it in January. **A18**

Beijing Is Stealing AI Secrets To Power Its Spying, U.S. Says

On a July day in 2018, Xiaolang Zhang headed to the San Jose, Calif., airport to board a flight to Beijing. He had passed the checkpoint at Terminal B when his journey was cut short by federal agents.

By Robert McMillan, Dustin Volz and Aruna Viswanatha

After a tipoff by Apple's security team, the former Apple employee was arrested and charged with stealing trade secrets related to the company's autonomous-driving program.

It was a skirmish in a shadow war between the U.S. and China for supremacy in artificial intelligence. The two rivals are seeking to jump ahead in a technology with the potential to reshape economies, geopolitics and war.

Artificial intelligence has been on the Federal Bureau of Investigation's list of critical U.S. technologies to protect, just as China placed it on a list of technologies it wanted its scientists to achieve breakthroughs on by 2025. China's AI capabilities are already believed to be formidable, but U.S. intelligence authorities have lately made new warnings beyond the threat of intellectual-property theft.

Instead of just stealing trade secrets, the FBI and other agencies believe China could use AI to gather and stockpile data on U.S. citizens at a scale never before possible.

China has been linked to a number of significant thefts of personal data over the years, and AI could be an "amplifier" to support further hacking operations, FBI Director Christopher Wray said at a news conference in Silicon Valley earlier this year.

"Now they are working to use AI to improve their already-massive hacking operations using our own technol-

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Red Sea Attacks Intensify Pressure On Biden

U.S. tries to deter Iran proxies' assaults on ships without inflaming tensions

By Benoit Faucon And Gordon Lubold

Escalating Iran-backed attacks against global commercial shipping in the Red Sea have heightened pressure on the Biden administration as officials scramble to protect trade while trying to avoid a direct confrontation with Tehran.

The U.S. Navy said late Saturday that two more vessels had been attacked that day by Iranian-backed Houthi forces in Yemen, bringing the number of commercial ships attacked near a crucial passageway between the Horn of Africa and the Middle East to 15. The Pentagon said earlier in the day that a chemical tanker in the Indian Ocean was struck by a drone launched directly from Iran, a claim Tehran denied.

The shipping attacks are part of a regional confrontation between Iran's allies and the U.S. and Israel, and are increasing. A declassified document from the Defense Department shows Houthi attacks on ships escalated during the first half of December to eight incidents, compared with three during the last half of November.

The Houthi attacks have

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◆ **Egypt offers new Gaza peace plan**..... A8
◆ **U.S. strikes militant drone sites in Iraq**..... A8

Altman's Big Allies Keep Rescuing Him

Minutes after the board of OpenAI fired CEO Sam Altman, saying he failed to be truthful, he exchanged texts with Brian Chesky, the billionaire chief executive of Airbnb.

By Deepa Seetharaman, Keach Hagey, Berber Jin and Kate Linebaugh

"So brutal," Altman wrote to his friend. Later that day, Chesky told Microsoft's CEO Satya Nadella, OpenAI's biggest partner, "Sam has the support of the Valley." It was no exaggeration.

Over the weekend, Altman rallied some of Silicon Valley's most influential CEOs and investors to his side, including Vinod Khosla, co-founder of Sun Microsystems and the founder of Khosla Ventures, OpenAI's first venture-capital investor; Ron Conway, an early investor in Google and Facebook; and Nadella. Days later, Altman returned as OpenAI's chief executive.

Altman's firing and swift reversal of fortune followed a pattern in his career, which began when he dropped out of Stanford University in 2005 and gained the reputation as a Silicon Valley visionary. Over the past two decades, Altman has lost the confidence of several top leaders in the three organizations he has directed. At every crisis point, Altman, 38 years old, not only re-

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Inflation Pulls Back

Around the globe, inflation is slowing faster than expected and could be back to normal levels next year. A2

Consumer prices, change from a year earlier

Sources: Office for National Statistics (U.K.); Labor Department (U.S. CPI); Eurostat (eurozone)

Queen of Crypto Reigns at Binance

U.S. authorities toppled the king of crypto. But the queen is still standing.

By Angus Berwick, Patricia Kowsmann, Caitlin Ostroff and Vicky Ge Huang

Changpeng Zhao's time atop Binance was cut short after he pleaded guilty to violating anti-money-laundering laws. The government's case showed that the world's biggest crypto exchange was a den of international money transfers for terrorists, drug dealers and sanctions violators.

Untouched in the upheaval was Yi He, who co-founded Binance with Zhao and has been his chief lieutenant in running the exchange. She is also Zhao's romantic partner and the mother of three of his children.

Since Zhao resigned last month, Yi He, 37 years old, has assumed Zhao's mantle as Binance defender-in-chief, calling critics "mediocre and hopeless" on X, the site formerly known as Twitter. In a sign of her stature, she recently led a public chat with the platform's Chinese-speaking users side by side with the company's new chief executive, Richard Teng, a former regulator.

To several former Binance executives, she represents the regulation-phobic strategy that resulted in the company's

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What 'Meeting?' You Were Sneaking Out to a Matinee

* * *

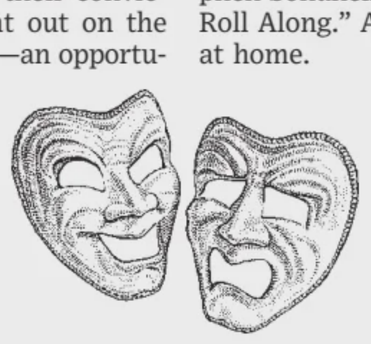
Afternoon performances aren't just for seniors anymore, as patrons skew younger

By Charles Passy

For generations, Broadway fans have sought out prime seats for evening performances, firm in their conviction that a night out on the town is just that—an opportunity to celebrate the magic of theater, so long as it's after sunset.

And the matinee crowd? They have tended to be senior-oriented, suburban and a bit more sedate, with a heavy concentration of women, according to theater historians.

But try telling that to Colin A. Weil, a 57-year-old real-estate professional who lives in Manhattan. He recently caught a Wednesday afternoon performance of the critically acclaimed revival of Stephen Sondheim's "Merrily We Roll Along." And he felt right at home.



Daytime drama

"It's not the ladies who lunch anymore," says Weil, aptly quoting the title of a Sondheim song from another show, "Company"—with lyrics that reference women who attend matinees.

Weil is far from the only atypical matinee attendee these days. Based on recent

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One Woman's Puzzle: Who Gets My Embryos?

U.S. has over a million in frozen storage

By Amy Dockser Marcus

There are many ways to be a mother. Lynn Wesley has pursued about all of them.

Wesley, a high-school algebra teacher in Dalton, Mass., has taken in more than 70 children for foster care over the years, some for just a night or two. Social workers sometimes woke her up, asking if they could bring over a baby right away. She adopted three of them, two girls and a boy, now ages 7, 12 and 14. Wesley, 40, tried to have her own baby through artificial insemination. When that didn't work, she turned to in vitro fertilization.

She gave birth to a daughter in 2018. That left her with three embryos that went into cold storage with more than a million others kept by families in facilities around the U.S. IVF entails the extraction of eggs from a woman, and, because of advances, doctors are more likely than in the past to implant only one embryo at a time. Higher success rates—the procedure now accounts for an estimated 2% of U.S. births—leave more embryos unused.

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INSIDE

SPORTS
From Lionel Messi to Simone Biles—to Taylor Swift? The top sports memories that defined 2023. **A14**

BUSINESS & FINANCE
Major streaming services fight for the attention of children drawn to videos on YouTube. **B1**

U.S. NEWS

THE OUTLOOK | By Gwynn Guilford

Slowing Inflation Cheers Central Banks

Call it a Christmas miracle: Inflation around the globe is slowing way faster than expected. If economists are right, that gift will keep on giving next year, bringing inflation back to normal levels for the first time in three years.

Goldman Sachs economists estimate that core inflation, which excludes food and energy, in the group of economies that experienced the post-Covid inflation surge—the U.S., Europe and several emerging markets—ran at a 2.2% annualized pace over the three months ended November.

By the end of 2024, average inflation among that group should be at or near the inflation targets of most major central banks, the analysts found.

Falling inflation should cushion economic growth in two ways: by bolstering household purchasing power and enabling central banks to cut interest rates.

Michael Saunders, senior adviser at Oxford Economics, expects inflation to reach 1.3% in the fourth quarter of next year in the euro area, and 2.7% in the U.K., while U.S. inflation will fall to 2.2% as measured by the Federal Reserve's preferred personal-consumption-expenditures price index. That measure was 2.6% in November, the Commerce Department reported Friday. Excluding food and energy, it was 3.2%, and just 1.9% annualized over the last six months.

The Federal Reserve, European Central Bank and the Bank of England all target inflation of 2%.

"The common factors pulling inflation down are food, energy, global goods prices and monetary policy," said Saunders, a former member of the Bank of England's Monetary Policy Committee. "But the differences, and why inflation will be quicker to return to target in the eurozone, is the U.S. and U.K. also have greater pressures from labor market tightness, which are fading only gradually."

These improvements are the other side of the inflation waves that hit the global economy. First, in 2021, goods prices soared because of disrupted global production and shipping in addition to strong demand due to fiscal and monetary stimulus.

Russia's invasion of Ukraine in 2022 then sent up commodity prices, causing inflation to hit multidecade peaks. Inflation in the eurozone, which suffered from a cutoff of Russian gas, peaked at 10.6% in October 2022.

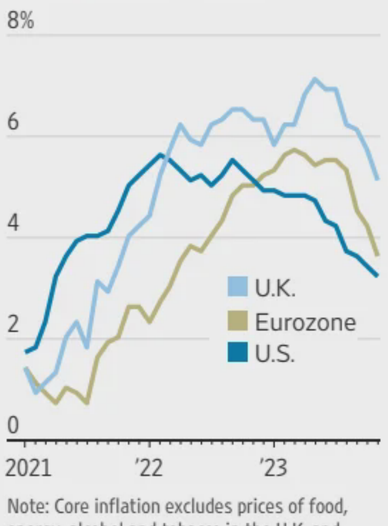
Workforces were also stunted by Covid-related disruptions. So healthy demand for workers sent wage growth up sharply, feeding through to services inflation.

Housing costs have also fueled services inflation, with a lag. In the U.S., consumer prices rose 3.1% in November from a year earlier, but just 1.4% excluding shelter. The impact has been far smaller in Europe where owner-occupied housing is omitted from key inflation measures.

Unclogged supply chains drove down inflation toward the end of 2022 and throughout this year, and that will likely continue into next year. For instance, in the U.S., used car prices—a major initial driver of inflation—still have further to fall in early 2024 as the market gets back to normal, said Omair Sharif, founder of Inflation Insights.

Energy and commodity markets adjusted to the Ukraine disruption as well, helping bring down energy prices and stabilize food costs. These forces should continue to weigh on inflation in 2024, said Neil Dutta, head of economic research at Renaissance Macro Research. "Energy prices have come down and given the decline in diesel prices, we will probably see that bleed into food and grocery prices in the months ahead," he said.

Core consumer prices, change from a year earlier



Note: Core inflation excludes prices of food, energy, alcohol and tobacco in the U.K. and eurozone, and excludes food and energy in the U.S. (personal-consumption expenditures price index)
Sources: Office for National Statistics (U.K.); Commerce Department (U.S.); Eurostat (eurozone)

Labor markets in many major economies have begun rebalancing this year, too, cooling wage growth, a key contributor to service costs. That should continue in 2024.

Again, the timing and impact will differ by country. "It's arguably already happened in the U.S.," said Peter Berezin, chief global strategist at BCA Research, adding that wage pressures have abated due largely to an influx of workers into the labor force.

Progress will likely be slower in the U.K., where unusually high disability rates due to wait lists for care have reduced labor supply, said Simon MacAdam, senior global economist at Capital Economics. While inflows of immigrants are at a record, their skills often don't match vacancies, he said.

Calming inflation, along with slowing or stagnating growth across major economies, sets the stage for rate cuts next year.

The Fed earlier this month signaled it would cut interest rates. "The economy is doing reasonably well. Financial conditions have eased. Earnings have improved," Dutta said. In that situation, the Fed is more likely to deliver three to four quarter-point rate cuts rather than the six the market expects, he said. "But it should feel pretty good—it should feel like a soft landing."

That prospect has already sent bond prices up and yields down, lowering borrowing costs for U.S. companies and home buyers. European borrowers may have longer to wait; they are more dependent on banks than capital markets, and bank loan rates are closely linked to central bank interest rate targets, said MacAdam. Bank loan rates won't fall significantly until the second half of the year in the eurozone, and possibly even later in Britain because of stickier inflation, he said.

With inflation crumbling around the globe, Bank of America strategists project 152 global central bank rate cuts next year, the most since 2009, they said.

Douglas Porter, chief economist at BMO Capital Markets Economics, expects most major economies to grow more slowly in 2024 than in 2023, but rate cuts, cooling energy and food prices, and normalized supply chains will stave off a global recession.

U.S. WATCH

YI-CHIN LEE/HOUSTON CHRONICLE/ASSOCIATED PRESS

SANTA SURPRISE: Latin Fantasy Lowrider Car Club volunteer Mari Delgado handed out toys in Houston on Monday.

LAS VEGAS

Five Dead in Four Crashes in 12 Hours

Two people died in separate vehicle crashes in the early hours of Christmas morning on Monday in the Las Vegas valley, bringing the total number of vehicle-related deaths in the area to five over a 12-hour stretch.

The first crash occurred on Sunday afternoon, when the driver and a passenger in a Mazda were pronounced dead after their car ran a red light and hit three other vehicles.

Later that evening, a pedestrian was killed after becoming "lodged in (a) Tesla's windshield" after the car rammed into the victim as the driver tried to change lanes, police said.

Just after midnight, Nevada State Police responded to a single vehicle rollover and pronounced one of the occupants dead.

Less than half an hour later, Las Vegas police responded to a crash after a Mercedes-Benz turned left at an intersection and ran into a motorcycle's path.

—Associated Press

COLORADO

Gunfire Hits Mall On Christmas Eve

A man was fatally shot and three people were hurt as gunfire rang out at a shopping center in Colorado on Christmas Eve, police said Sunday.

A fight broke out between two groups of people in the afternoon at the Citadel Mall in Colorado Springs, and officers received a report of gunshots and responded, the Colorado Springs Police Department said on social media.

One adult male was dead at the scene with a gunshot wound, and two more, each of whom had been shot at least once, were taken to hospitals in serious condition, police said.

A female also was taken to a hospital with what were said to be minor injuries.

Police said they detained "people" and were "working to determine their involvement."

The mall was cleared and closed, police said, and there was no known continuing threat to the community.

—Associated Press

Pandemic Tax Break Became a Big Mess

By Richard Rubin

WASHINGTON—Stephanie Murphy needed an idea. Fast.

It was early 2020, and the Democratic Florida congresswoman saw the pandemic posing a catastrophic economic threat to her Orlando-area district. By mid-March, the Disney and Universal resorts closed. Murphy and her staff hunted for ways to help workers and businesses and prevent mass unemployment in the tourism industry. They latched onto a policy implemented in disaster zones after 2005's Hurricane Katrina.

The result: The employee-retention tax credit, or ERC, a new nationwide incentive for businesses and nonprofits to keep workers on payrolls.

The credit, designed as a temporary $55 billion lifeline for struggling employers, has cost the government about four times that much—and counting. It is a big reason why federal revenue missed projections in 2023. Expanded by Congress and publicized by a pop-up industry of advisers that helped employers claim the credit, the ERC spurred a wave of fraud that the Internal Revenue Service still struggles to control.

> **The ERC is a classic case of good intentions and unintended consequences.**

The ERC is a classic case of good intentions and unintended consequences. Congress used the tax system to provide quick aid during a crisis—and the tax system opened the door to enormous problems.

The ERC's authors and backers say it initially served the country well. But the seeds of problems existed from the beginning.

Loose legislative language allowed a flood of claims, some encouraged by firms that charge fees to help employers apply. The IRS—prodded by employers and lawmakers—gave priority to pumping out money and didn't pause the cash flow until it had determined that fraud was widespread. And employers can still claim it for another 16 months. The ERC continues, long after other Covid aid expired.

"Before some of these fraudsters and hucksters got involved and tried to monetize this tax credit, knowing that the IRS didn't have adequate ability to provide oversight on fraud, it worked as intended," said Murphy, who didn't seek re-election in 2022.

Murphy pitched the ERC to fellow House Democrats during frantic legislating while the economy plunged into recession. In addition to the ERC, the law authorized direct payments to households; the Paycheck Protection Program, or PPP, for small employers; and a $600 weekly federal increase in unemployment benefits. The ERC wasn't an afterthought—but neither was it the main program designed to shield the economy against extraordinary threats.

Murphy's idea was included in a bill backed by then-Speaker Nancy Pelosi (D., Calif.). A Senate Republican version lacked the ERC, but the credit landed in the law after negotiations between Democrats and Trump administration officials.

Employers could claim the credit if they paid workers while the pandemic hurt their businesses. Instead of paying taxes that fund Social Security and Medicare, employers could keep the money up to the value of the credit. If employers realized after paying those taxes that they were eligible for the ERC, they could seek IRS refunds by amending their tax returns.

Lawmakers were happy enough with the program in 2020 and 2021 that they extended the end date, increased the maximum amount per worker, and let PPP recipients claim the ERC as long as each benefit covered different expenses.

But lawmakers and staff members writing the Cares Act made decisions that led to a flood of what the IRS now calls ineligible applications.

Chief among them: They said employers could qualify for the credit either by showing a specified revenue decline or by following a government order that fully or partially suspended their operations.

Lawmakers didn't want to base eligibility solely on revenue because that would seem harsh to employers that fell just short, said Dave Kautter, then the Treasury Department's top tax-policy official, who helped negotiate the deal that created the ERC.

"There needed to be a more flexible test, and trying to quantify what that test should be in the fog of that period of time, we thought was a fool's errand," he said.

At the time, government closure orders were very strict. But as severe restrictions were lifted, Congress never clarified what counted as a government order suspending operations.

The IRS has said some employers are claiming that health guidelines were disruptive enough to qualify for the credit. The agency disagrees.

Probe Targets Billing for Covid-19 Research

By Warren P. Strobel

WASHINGTON—Two federal inspectors general are investigating whether a nonprofit group involved in high-risk coronavirus research in China double-billed U.S. taxpayers for hundreds of thousands of dollars for that work, according to people familiar with the matter.

The probe of New York-based EcoHealth Alliance's practices, some details of which haven't been reported, is at an advanced stage and has included subpoenas of the organization's records, the people said.

EcoHealth Alliance won tens of millions of dollars in grants and contracts from the National Institutes of Health and the U.S. Agency for International Development for pandemic research, including collaboration with Chinese scientists at the Wuhan Institute of Virology studying coronaviruses similar to the one that causes Covid-19.

The investigation by the inspectors general at USAID and the Department of Health and Human Services, which oversees the NIH, are focused not on the pandemic's origins but on whether EcoHealth billed the two agencies separately for the same work.

The nonprofit disputes the allegations, saying the funding supported different projects that didn't overlap.

Representatives of the two inspectors general declined to comment.

An EcoHealth Alliance representative said, "These questions have already been asked and answered. To claim that there is potential evidence of duplicated grants is simply not true. USAID and NIH supported two different projects that are complementary, but distinct, and did not involve duplication of effort."

Funding proposals undergo a U.S. interagency review to guard against duplication, the representative said. "We were told by agency staff that these reviews had occurred for these two lines of funding and that they concluded there was no duplication of effort."

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CORRECTIONS & AMPLIFICATIONS

Boeing shares traded on Oct. 2 at $187.89, up 6 cents, or 0.03%, in after-hours trading as of 6 p.m. ET. The Late Trading table in Oct. 3's Markets Digest incorrectly said Boeing rose $75.96, or 40.44%, to $263.79 at that time.

Alphabet's Class A shares traded on Oct. 3 at $132.26, down 17 cents, or 0.13%, in after-hours trading as of 6 p.m. ET. The Late Trading table in Oct. 4's Markets Digest incorrectly said Alphabet was down $17.83, or 13.47%, to $114.60 at that time.

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

Harvard's Board Feels Heat on President

Some faculty call for resignations at governing body, citing missteps

By Douglas Belkin And Melissa Korn

MARK SCHIEFELBEIN/ASSOCIATED PRESS

Claudine Gay, Harvard's president, joined the MIT and UPenn presidents to testify before a House committee in December.

Harvard University faculty are calling for members of its governing board to step down as a way to reset the university as it struggles with historic reputational damage and demands for the resignation of its embattled president, Claudine Gay.

"They're under pressure, that's obvious," said former Harvard Medical School Dean Jeffrey Flier, who was invited last week to meet with a few board members to discuss, among other things, the continuing divisions.

"They are the fiduciary body and no one will deny that Harvard's reputation has taken a very substantial hit in the world...It's on their watch that it is happening," Flier said.

The pressure the board faces is a combination of new concerns and long-simmering tensions. Donors and alumni like hedge-fund manager Bill Ackman and politicians are unhappy with the school's work to adequately protect Jewish students from harassment after Hamas attacked Israel on Oct. 7. Faculty who fretted for years that the school is ceding ground on free speech to appease advocates of diversity, equity and inclusion feel newly empowered to raise their concerns.

Allegations that Gay plagiarized some of her work has weakened some of the initial support she enjoyed from faculty, following calls by conservative lawmakers to sanction her.

One faculty member has even suggested pulling a lever buried deep in the Massachusetts constitution to appoint a state member to the board.

The Harvard Corporation, the 12-member governing body, is the oldest corporation in the Western Hemisphere, according to its website. Its current members include a former U.S. commerce secretary, a former CEO of American Express and the president of the Carnegie Endowment for International Peace. Its stewardship over the centuries has led Harvard to become one of the world's greatest and wealthiest research universities, with an endowment in excess of $50 billion.

Members serve a six-year renewable term, and current members select new ones. The board stood at seven people, including the president, from 1650 until 2010, when it expanded to 13. (It currently has 12, with one vacancy.) There are few checks on their authority. One faculty member said the corporation answers only to God.

The corporation has a reputation for insularity. When Flier was dean of the medical school, the Harvard Corporation summoned him once a year, for half an hour, to deliver a report. "I received little feedback from my presentations," he said.

So he was surprised when a member of the board invited him to meet and talk about the work he and colleagues were doing to secure academic freedom and viewpoint diversity on campus.

That crack in the board's veneer reflects a larger re-evaluation by faculty of its efficiency and effectiveness.

Several professors interviewed said the board's run of avoidable errors began with Gay's selection as president last December. They worried she was hired without the proper vetting or experience.

"It is a risky choice to elevate somebody who has not had years and years of experience in a presidential or presidential-like role," said Jennifer Hochschild, a professor of government and African and African-American studies, and a longtime supporter of Gay.

Others are upset Gay was made available to testify before Congress and found fault with the board's failure to adequately vet her work after she was accused of plagiarism.

The stakes are especially high because not only is Gay the president of the most renowned university in the nation, she is the institution's first Black leader. Harvard celebrated that barrier-breaking status when she was appointed but it has added more pressure to her problems.

"She's become a symbol of a movement, and if she has to resign that sends a terrible signal. So it is just a no-win situation here," said Dr. Jeffrey Fredberg, a research professor of bioengineering and physiology at Harvard's School of Public Health.

Kit Parker, professor of bioengineering and applied physics, said the school is at an inflection point, and to change the trajectory members of the corporation need to step down. "The big question now is, how arrogant is Harvard? And when I say Harvard, I mean the Harvard Corporation. Do they think this is going to go away?"

One faculty member, citing a carve-out in the Massachusetts Constitution that reserves authority over Harvard to the state legislature, asked Massachusetts lawmakers to consider installing a government official on the board to provide more transparency and public accountability. A spokeswoman for Massachusetts Gov. Maura Healey said the governor will review the proposal.

Asked for comment on faculty criticism, Harvard spokesman Jonathan Swain referred to the Harvard Corporation's Dec. 12 statement of support for Gay.

In October, after the Hamas attacks on Israel left about 1,200 people dead, more than 30 Harvard student organizations laid blame for Hamas's violence on Israel's treatment of Palestinians over the decades. Gay's initial statement contained no reference to the statement by the student groups. She issued follow-up statements and clarifications in the subsequent days and weeks condemning Hamas and asking the community for rhetoric that aims to illuminate and not inflame, but they didn't quell the anger.

Earlier this month, Gay joined the presidents of the Massachusetts Institute of Technology and University of Pennsylvania to testify before a House committee about antisemitism on their campuses. The three drew ire for not saying explicitly that calling for the genocide of Jewish people would be considered harassment under their schools' policies.

Fog in Chicago Scuttles Some of Southwest's Flights

By Alison Sider

Southwest Airlines canceled hundreds of flights Sunday and more than 100 on Monday after dense fog snarled operations at Chicago's Midway International Airport, where Southwest is the main carrier.

The woes prompted Southwest to deploy a new strategy for handling disruptions that it developed in the wake of more extreme holiday upheaval it endured last year.

The Dallas-based airline canceled close to 300 flights Sunday, according to FlightAware, a flight-tracking service, nearly 7% of the number it had planned to operate that day. The airline canceled about 110 flights Monday as the situation steadied. More than a quarter of its flights Sunday had been delayed.

Altogether, about 360 U.S. flights were canceled Sunday and about 147 on Monday as of the afternoon.

Overall, the cancellation numbers for the weekend weren't high—it was a relatively smooth weekend for air travel. But Southwest again scrubbed more flights over Christmas than rivals, albeit on a far smaller scale than last year.

This year, localized fog that restricted landings at Midway was the main culprit, the airline said. Southwest accounts for more than 90% of Midway's passengers and was the hardest hit as the Federal Aviation Administration stopped or slowed Midway-bound flights on Saturday night and through much of Sunday.

The airline deployed a new strategy to deal with its weekend disruptions.

The fog receded late Sunday, and Southwest shifted to managing traffic on the ground at the airport.

The airline said Monday that its operation was stable and that it didn't anticipate significant disruption for the rest of the day.

The fog that began Saturday night reduced visibility at Midway below levels required for planes to land there. Southwest flights that were supposed to end their day at the airport weren't able to make it, and the airline canceled nearly 60 flights Sunday morning. Numbers climbed into the evening as reduced visibility continued. Chicago's O'Hare International Airport doesn't face the same limits on operations when visibility is low.

On Sunday, Southwest executives told employees the airline had activated its "disruption pod," assembling a team to focus on Midway's recovery and identify crews in danger of missing connections or hitting limits on how long they could work. The disruption pod is one of the strategies Southwest put in place after the debacle last December.

The weekend's cancellations are a fraction of what travelers across carriers endured then, when a punishing winter storm engulfed much of the country. More than 9,400 U.S. flights were canceled Dec. 23 and 24 last year. This year, that figure was around 600.

Southwest's operation spiraled into a meltdown last year that continued for days after other carriers recovered from the brutal weather. Southwest has spent months updating crew-rescheduling technology that it has said became overwhelmed, and preparing to better handle winter weather.

Earlier this month, the U.S. Department of Transportation levied a record $140 million civil penalty against the airline, alleging consumer-protection violations during the upheaval last year. Southwest acknowledged some problems but said it had gone to extraordinary lengths to help customers and didn't agree it had violated the law.

Any travel disruption around the holidays can have outsize impact. It can be hard to find an empty seat on packed flights.

Sinema Faces New Test in Border Deal

Arizona senator in tough election fight says issue is 'hardest thing we've done'

By Siobhan Hughes And Eliza Collins

WASHINGTON—Sen. Kyrsten Sinema is working to pull together her biggest and most difficult bipartisan deal yet. It also could be her last.

The centrist Arizona senator, who aligns with Democrats despite having left the party a year ago, has helped shape major laws related to infrastructure, climate, same-sex marriage and guns. Now she is one of a handful of negotiators working to change U.S. immigration law, which lawmakers of both parties acknowledge is politically fraught, maddeningly complicated—and newly urgent, because Republicans made it a condition for backing new aid to Ukraine.

The senator is also closing in on a deadline on whether to run for re-election, this time as an independent. As she has chalked up successes on Capitol Hill, she has also angered many Democrats who helped get her elected five years ago. Arizona is struggling to manage a surge of migrants, further raising the political stakes.

"This is definitely the hardest thing we've done," Sinema said in an interview, citing the complexity and politicization of border law. She declined to say whether she plans to run again. Asked by a reporter if a successful immigration deal would affect her decision, she responded: "Dumb question."

The 47-year-old lawmaker, who started to put in place campaign infrastructure earlier this year, needs to make a decision by April and collect enough signatures to get on the ballot. She would likely face Ruben Gallego, a Democratic congressman, and Kari Lake, a far-right Republican former local TV anchor, in a difficult three-way race that recent polling indicates she might lose.

In border talks, Sinema meets regularly with Sen. James Lankford of Oklahoma, the handpicked Republican negotiator and top Republican on a border-management subcommittee she chairs, and Sen. Chris Murphy (D., Conn.), chair of the subcommittee that provides appropriations for the Homeland Security Department. She says she has put an emphasis on efficiency in their closed-door discussions, while also giving regular progress updates to reporters, a break with her long-held reluctance to engage with the media.

The discussions have centered on changing rules related to asylum and establishing a new expulsion authority at the border. Democratic and Republican leaders have said the talks remain on track but need more time. They said they hope to hold a vote early next year on a deal that combines border-policy changes with $110.5 billion in aid for Ukraine, Israel and Taiwan.

Any deal would have to overcome decades of fruitless partisan fighting. Republicans have complained that Democrats started the talks too late and so far have only been willing to take half steps. Some Democrats, particularly progressive and Hispanic lawmakers, are also leery of any deal, worried that the White House and negotiators gave up too much too soon.

ELIZABETH FRANTZ/REUTERS

Kyrsten Sinema is one of a handful of negotiators working on the newly urgent matter of changing U.S. immigration law.

Sinema has been involved in immigration issues for years, starting when she was a social worker and continuing in the Arizona legislature and U.S. Senate. Her views have shifted to the right from her time as an outspoken progressive in the state legislature to a moderate in Congress.

She organized a visit to the border in January that included both Lankford and Murphy. Since then, according to a Murphy aide, Lankford and Murphy have been trading ideas on changes to asylum policies. Representatives for Lankford and Murphy declined to make the senators available to comment.

Known for occasionally sporting colorful wigs, Sinema is an unconventional senator, both in her willingness to buck party orthodoxies and in her approach to negotiations, which colleagues privately say can be exasperating but effective. She has identified which staffers are crafting a bill and then begun working directly with them, according to a person familiar with the matter—even though senators typically work either with each other or through their own staff.

Sinema has been at the center of high-profile negotiations in recent years. Those have included a roughly $1 trillion infrastructure law; President Biden's signature climate, healthcare and tax law; a major semiconductor law; as well as a gun-control measure. She helped enact a law protecting same-sex marriage by winning over Sen. Mitt Romney (R., Utah) with religious-freedom provisions.

While helping shape bipartisan pacts, she also repeatedly blocked key pieces of Biden's agenda that she saw as ill-conceived. She refused to help Senate Democrats end or weaken filibuster rules, which require 60 votes to advance most legislation. She made Biden scale back his multibillion-dollar Build Back Better agenda. She single-handedly forced the party to scuttle its plans to raise the top marginal rates for corporate, capital-gains and individual-income taxes. Later, she made the party drop plans to increase taxes on a key source of private-equity managers' income.

"She's done it time and time again," said Kai Newkirk, an Arizona-based progressive activist. "Rather than fight for what the voters who elected her want, she's asked: 'What do extremist Republicans want? What do big corporate donors want?' It's why Democrats in Arizona are absolutely done with her."

Binance's Crypto Queen

Continued from Page One

guilty plea and $4.3 billion in fines, the largest ever by a crypto company. Binance also is fighting a separate lawsuit from the Securities and Exchange Commission.

In Zhao's absence, Yi He is the largest shareholder sitting inside the company, with sweeping control over its marketing and investment divisions. She and Zhao live in Abu Dhabi, although he is in Seattle awaiting sentencing.

Though chastened by the Justice Department's case, Binance remains the most powerful platform in crypto, processing billions of dollars of trades a day. Yi He has wielded her influence over the selection of Binance's new majority-independent board mandated by U.S. authorities, people familiar with the board-recruiting process said.

Among those who Binance executives have recently approached for a board position was Ella Zhang, a close friend of Yi He who previously led Binance's venture-capital arm. Zhang didn't respond to requests for comment.

Like Zhao, Yi He disregarded the importance of following rules set out by regulators to combat financial crime, some of the former executives said. She is mentioned in Binance's plea agreement, though not by name, for helping find workarounds that let U.S. users illegally trade on the platform.

The Justice Department in earlier settlement discussions wanted Yi He to step aside, too, according to people familiar with the talks. It couldn't be learned why that didn't happen.

A spokesperson for the Justice Department declined to comment.

A Binance spokesperson didn't comment on Yi He's role in the case but said the company has acknowledged making mistakes in the past and has changed its ways. Yi He has supported that transformation, the spokesperson said.

"I am fully aligned with the new direction of the company, and I am eager to turn the page on this challenging yet transformative chapter of learning and growth," Yi He said in a statement.

Asked about her involvement in recruiting new board members, Binance said the process involved the "vetting of possible candidates by relevant stakeholders."

Lawyers for Zhao didn't respond to requests for comment.

NATALIE NAKCACHE/BLOOMBERG NEWS

Binance boss Yi He helped drive a regulation-phobic strategy that cost it $4.3 billion in fines.

This account of how Yi He shaped Binance is based on interviews with current and former employees, court documents, internal Binance messages and earlier public statements from the company.

Crypto romance

He was a software programmer born in China and educated in Canada. She was a television host for a Chinese travel show, raised by poor teacher parents in a village in Sichuan province.

Romance bloomed over crypto.

Yi He first encountered Zhao at a 2014 crypto conference. Zhao, then working at a company that developed digital wallets, impressed Yi He with a presentation on crypto's potential, she later recalled in an interview with a U.K. journalist. She recruited Zhao to join her as chief technology officer at a new Chinese crypto exchange, OKCoin, which she helped found.

The pair became a couple while working together in Shanghai. Zhao was still in a relationship with another woman, with whom he had children. They eventually separated.

When Zhao launched Binance in 2017, Yi He joined him as a co-founder and chief marketing officer. She was vital for Binance's early growth, better known than Zhao in China's crypto community. The Chinese press called her the crypto world's "first sister."

If even the smallest thing on the exchange went wrong, staff should put all their efforts into reassuring users, she once told them. She told staff in a message to obsess about countering any negative publicity.

"Even CZ, he looked at me and said 'You don't have any hobbies.' I said 'My hobby is working for Binance,' " she told a Chinese media outlet.

Yi He recruited volunteers called Binance Angels to spread Zhao's gospel that crypto would liberate people from traditional finance.

It was a success but also a liability, as Angels advised users on how to circumvent trading restrictions in the U.S. and China, according to some of the former Binance executives and a complaint from the Commodity Futures Trading Commission.

The Binance spokesperson said the company insists the Angels "comply with applicable laws."

Yi He took the lead on the marketing strategy for a separate U.S. exchange that launched in 2019, which Binance claimed at the time was fully independent. "Yi is calling the shots," one employee messaged another that year. The Justice Department said this exchange, Binance.US, was a ploy to distract U.S. authorities from targeting the main Binance.com platform.

> **Yi He's marketing efforts brought in legions of users.**

As her marketing efforts brought in legions of users, Yi He built her own fortune.

She held a share of at least 10% in Binance's Cayman Islands holding company, according to people familiar with the exchange's finances.

She told a Binance business partner that her stake made her one of the wealthiest women in the world. Near crypto's peak in 2021, former executives valued the exchange at more than $300 billion. The Binance spokesperson said as a private company, it doesn't share these details.

By then, Yi He and Zhao lived together in a mansion on Singapore's resort island of Sentosa. Staff considered Yi He to be the second-most-powerful person at the company, behind Zhao.

Signing Ronaldo

Binance brought in executives from outside the crypto industry to revamp its compliance and marketing in 2021.

The new marketing hires told Yi He that Binance needed to strike partnerships with respected institutions and unfurl traditional advertising campaigns to gain credibility with the public and regulators, people familiar with the campaigns said.

Yi He wanted Binance to follow other crypto exchanges and go big on commercials for the Super Bowl the following year.

The executives, however, told her that was risky, given Binance's global exchange business didn't have a license in the U.S. The firm ended up not doing a Super Bowl ad.

In 2022, Binance signed soccer star Cristiano Ronaldo. The contract, worth about $60 million over three years, paid for the player's time, along with promotions and appearances, according to former executives involved in the project.

The Binance spokesperson said these details of the Ronaldo contract were inaccurate, without elaborating.

Binance's new vice president of global marketing pushed for an aggressive campaign to maximize returns on the expensive deal, including ads on TV in key markets.

After the Ronaldo campaign launched, which played out on Twitter and TV, Yi He complained to her team about the lack of immediate gain in terms of users and the project's cost. The vice president left soon after.

It was an example of what a former Binance executive called Yi He's graveyard projects. This person, along with other former executives, said she often blamed the people leading her projects when they didn't meet her expectations.

The Binance spokesperson said the Ronaldo campaign exceeded the company's objectives, including on new-user registration, and resulted in "billions of earned media impressions."

The spokesperson rejected the characterization of Yi He's projects. "We encourage trying new things, making mistakes and continuous improvement," he said.

A spokesperson for Ronaldo didn't reply to requests for comment.

'Build the Block'

Another Yi He project was a plan to create a Netflix-like movie studio. Under her guidance, Binance produced a series called "Build the Block," in which crypto entrepreneurs pitched for a Binance investment, similar to "Shark Tank."

Yi He was a guest judge on the debut episode, which received 4,400 views on YouTube. A producer tasked with working on the show was laid off.

Through 2022, Yi He pushed for Binance to back a project to sell digital identities from the Pacific island nation of Palau to outsiders for $248. The project would give residents of countries where Binance was barred, including China and the U.S., access to its trading platform.

Executives warned Yi He that the Palau plan presented reputational and legal risks. She pushed anyway, wanting to provide a backdoor for Chinese users, according to some of the former Binance executives. When The Wall Street Journal reported about the project earlier this year, Binance stopped accepting the Palau IDs.

The Binance spokesperson said the company didn't go through with any partnership after conducting due diligence on the project.

In the latter stages of Zhao's tenure, while talks with the Justice Department advanced, Yi He took over more of the exchange's day-to-day management, according to one of the former executives.

Several weeks after Binance laid off more than 1,000 of the company's 8,000 workers this summer, she chastised employees on the company's chat platform for reacting with emotion rather than logic to the dismissals. She sought to motivate staff, saying Binance would emerge from yet another "blood and fire baptism."

When the Justice Department announced Zhao's plea deal, Yi He had a simpler message. "New page," she tweeted. "Keep building."

Trump Asks Court To Dismiss Interference Charges

By Sadie Gurman

WASHINGTON—Lawyers for former President Donald Trump asked a federal appeals court late Saturday to throw out the case that he illegally sought to undo his 2020 election loss, reiterating his argument that those efforts fell within the ambit of his official duties as president.

The filing to the U.S. Circuit Court of Appeals for the District of Columbia, which came late in the evening of the deadline set by the court, was the latest turn in the battle between Trump and special counsel Jack Smith. The Supreme Court on Friday declined Smith's bid to fast-track a decision on whether Trump is immune, leaving the issue in the hands of the appeals court.

The government has until Dec. 30 to file a response. Arguments before the D.C. Circuit are set for Jan. 9, and the losing party will then likely appeal to the Supreme Court.

Despite that expedited appeals schedule, the Supreme Court's action Friday—and the prospect that it will have to consider the case after all—increase the chances that the former president's trial on charges that he interfered in the election will be delayed beyond its scheduled March 4 start date. Any major delay would thrust the trial into the center of the 2024 campaign season or even push it past the election.

Trump's lawyers have been seeking to stall the trial, one of four criminal proceedings he faces as the election year opens.

The arguments from Trump attorney D. John Sauer in Saturday's 57-page filing built on previous positions the former president's lawyers have taken.

"Under our system of separated powers, the Judicial Branch cannot sit in judgment over a President's official acts," Sauer wrote. "That doctrine is not controversial."

He also restated the argument that Trump's impeachment acquittal by the Senate in February 2021 made any further indictment of him on similar charges "unlawful and unconstitutional."

Smith has argued that Trump's efforts to reverse the election results, which prosecutors say led to the Jan. 6, 2021, attack on the U.S. Capitol, were criminal and didn't constitute official acts that would be covered by presidential immunity.

The appeal will be heard by a three-member panel made up of Judge Karen L. Henderson, a George H.W. Bush appointee, and Judges Florence Y. Pan and J. Michelle Childs, both named to the court by President Biden.

In her Dec. 1 opinion, U.S. District Judge Tanya Chutkan wrote that Trump's former office "does not confer a lifelong 'get-out-of-jail' pass," and rejected the argument that his impeachment acquittal had any bearing on the criminal case. She has paused all pretrial proceedings in the case. pending the outcome of appeals.

A separate D.C. appeals-court panel the same day ruled that civil lawsuits seeking to hold Trump accountable for the attack on the Capitol can move forward, expressing skepticism about the former president's claims of absolute immunity from allegations that he incited violence on Jan. 6, 2001.

CHARLIE NEIBERGALL/ASSOCIATED PRESS

Donald Trump

U.S. Fears AI-Powered Espionage

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ogy against us," Wray said.

China has denied hacking into U.S. networks. Chinese Foreign Ministry spokesman Wang Wenbin, responding this summer to allegations that Beijing had hacked into the unclassified email systems of top Biden administration officials, called the U.S. the world's "biggest hacking empire and global cyber thief." A spokesman at the Chinese Embassy in Washington didn't respond to requests for comment.

In recent years, the FBI's interest in the area has been more squarely targeted on manufacturers of chips powerful enough to process AI programs than on AI companies themselves. Even if insiders or hackers were able to steal algorithms underpinning an advanced system today, that system could be obsolete and overtaken in six months, several former U.S. officials said.

In 2022, chip-manufacturing-technology supplier Applied Materials sued China-owned rival Mattson Technology, alleging that an Applied engineer stole trade secrets before leaving for Mattson. The case drew the interest of federal prosecutors, though no criminal charges have been filed, according to people familiar with the matter.

Mattson hasn't been contacted by any federal agency over the matter, and there is no evidence that any Applied information taken was ever used by Mattson, a company spokesman said. Mattson, based in Fremont, Calif., was acquired in 2016 by an investment arm of the city of Beijing, which currently owns about 45% of the company, the spokesman said.

The case remains in litigation. In November, Mattson sued Applied, claiming that engineers there had applied for patents using intellectual property developed while they were working at Mattson.

Fears of how China could use AI have grown so acute over the past year that the FBI director and leaders of other Western intelligence agencies met in October with technology leaders in the field to discuss the issue.

Makers of AI technology are concerned about their secrets making their way to China, too, according to executives at these companies.

U.S. intelligence analysts have worried for years about the long-tail espionage dividends that China is believed to be reaping from amassing enormous troves of hacked personal information belonging to U.S. officials and business executives.

In the past decade, Beijing has been linked to the hacks of hundreds of millions of customer records from Marriott International, the credit agency Equifax and the health insurer Anthem (now known as Elevance Health), among others, as well as more than 20 million personnel files on current and former U.S. government workers and their families from the Office of Personnel Management. China has denied responsibility for each.

China was so good at stealing private information—billions of pieces of data in all, according to U.S. officials, criminal indictments and cyber-threat researchers—that its trove was likely too vast for humans to find the right patterns. Artificial intelligence, however, would have no such limitations.

Microsoft believes China is already using its AI capabilities to comb these data sets, said Brad Smith, the company's president, in an interview with The Wall Street Journal.

Smith cited the 2021 China-linked attack on tens of thousands of servers running Microsoft's email software. "We saw clear indications of very specific targeting," he said. "I think we should assume that AI will be used to continue to refine and improve targeting, among other things." He didn't address the issue of AI technology being stolen by China.

In the 2018 case, the former Apple employee Zhang pleaded guilty to stealing trade secrets and is set to be sentenced in February. His plea agreement is under seal. Apple declined to comment.

U.S. authorities believe Chinese intelligence operatives are correlating sensitive information across the databases they have stolen over the years from OPM, health insurers and banks—including fingerprints, foreign contacts, financial debts and personal medical records—to locate and track undercover U.S. spies and pinpoint officials with security clearances. Passport information from the Marriott hack could help spies monitor a government official's travel, for example, counterintelligence analysts have said.

"China can harness AI to build a dossier on virtually every American, with details ranging from their health records to credit cards and from passport numbers to the names and addresses of their parents and children," said Glenn Gerstell, a former general counsel at the National Security Agency.

Although executives including Smith are concerned by the weaponization of AI, they said the technology can be used to spot and mitigate attacks, too.

"We believe that if we do our work well and we're determined to do our work well, we can use AI as a more potent defensive shield than it can be used as an offensive weapon," Smith said. "And that's what we need to do."

Who Gets Leftover Embryos?

Continued from Page One

Wesley didn't consider her embryos children. They were potential children, and she wrestled with a question facing other women and families holding on to embryos: What is my duty to them? Her clinic charged more than $500 a year to store embryos, money she felt would be better spent on raising her children. Some people allow their embryos to be used in medical research or decide to discard them. Many pay storage fees for years, putting off decisions.

LAUREN LANCASTER FOR THE WALL STREET JOURNAL (2)

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Lynn Wesley, above from left, preparing dinner with Noah, Kaylee, Jessie Downer (a family friend holding Freya), Gloria Wesley and Elizabeth. Below, from left to right, Freya, Kaylee and Elizabeth wrapping gifts for their mother's birthday party. Lynn adopted Elizabeth and Freya and gave birth to Kaylee after undergoing in vitro fertilization, leaving three embryos in storage.

Deciding to help

Wesley decided to donate hers—to other women seeking motherhood. "If I can help them in some way, I think I should," she said.

She and her children live in a four-bedroom house about 15 minutes from Pittsfield, Mass., where she grew up with a twin sister and a brother. In middle school, Wesley befriended a girl in foster care. During her first visit to the girl's house, she saw a chaotic life—beds pushed together to make room, clothes on the floor.

Wesley decided then she wanted to help children who needed a home. "Loving and nurturing, that's who she is," said her mother, Gloria Wesley. "She always wanted to take care of people."

When Wesley told friends she was donating her embryos, some said they couldn't imagine doing that, knowing they had kids being raised by others. They asked, *How would the children feel if they learned you let them go? Would another woman love them as much as you would?*

Family boundaries

Those are many of the same questions being asked by people who, by circumstance or design, are expanding the boundaries of what constitutes family and kin.

Wesley said her experience as a foster parent helped manage her feelings about letting go. "You take care of the kids and then they have to move on," she said. "I can do that."

She viewed the embryos largely the same way. "I am cut and dry," Wesley said.

Yet, Wesley couldn't fully cut her ties. She set conditions for people who took her embryos. She had to know how the children fared, and, she hopes, meet them one day. "I wanted to have that connection still," she said.

Wesley received her first child for foster care in 2010. Noah was a 6-month-old baby with a shock of hair so blond it looked almost white. She would video chat with her mother for advice, the baby fussing on her lap as she comforted him.

Fifteen months later, she agreed to take Noah's half sister, Elizabeth, who was only a few days old. The siblings have the same biological mother. Wesley adopted them in 2012, the year she and her longtime boyfriend split.

"Two kids is harder than one," Wesley's mother said. "I'm sure I had reservations but not sure how much I voiced them. When she puts her heart and mind to something, she figures out a way."

The following year, Noah's half brother Alex—the boys have the same biological father—was placed in Wesley's house for foster care. Alex was about 9 months old.

During one of Wesley's regular softball games, she overheard a teammate talking about her latest failed attempt to get pregnant through IVF. The woman, Heidi-Lyn Plant, said she had been trying to have a child for years. After the game, Wesley approached Plant and asked if she had ever considered fostering or adopting a child. She pointed to Alex, who was sitting on a blanket with Noah and Elizabeth.

"You see that little boy over there? That's Alex, and he's going to go up for adoption," Wesley said. She explained she couldn't adopt Alex because she was thinking about trying to have her own biological child. That night, Plant talked it over with her fiancé and called her mother. "Go meet Alex," her mother said.

'So sweet'

When Plant arrived to see Alex, "I immediately fell in love with him," she said. "This little solemn face. He was so sweet, and he needed a family."

The toddler stayed with Wesley while Plant and her fiancé took courses and were cleared by the state social services agency. In 2016, they adopted Alex.

Wesley was thrilled. She wanted the brothers to live close by and know each other growing up.

In June 2016, Wesley accepted a 4-day-old girl named Freya for foster care. Noah was 7 and Elizabeth was 5. During that time, Wesley felt a growing urgency to give birth to her own child.

Wesley picked a sperm donor and tried artificial insemination. After a half dozen unsuccessful attempts, her doctor suggested IVF. Four embryos were created from Lynn's eggs and donor sperm. She got pregnant on the first try. Kaylee was born on Feb. 12, 2018, joining Noah, Elizabeth and Freya. Wesley was 34.

"I kept imagining going through pregnancy and having a child," Wesley said. "I wouldn't have wanted to miss that."

After Plant adopted Alex, she tried twice more to get pregnant through IVF. "This is never going to happen," Plant recalled thinking.

In 2018, Wesley called unexpectedly and offered Plant the remaining vial of sperm she had used to create her embryos and get pregnant with Kaylee. "I think you should try IVF again," Plant recalled Wesley saying. "Our children will be related. Again."

Plant decided to give it another try. She took hormones and underwent an egg retrieval. Doctors fertilized the eggs with the sperm given by Wesley, which yielded 15 embryos. Plant tried two rounds of IVF without success. On the third try, she got pregnant.

Some organizations arrange only anonymous donations.

In May 2019, Plant gave birth to Avionna, who is Kaylee's biological half sister. "My miracle baby," Plant said.

A few months before Plant gave birth to Avionna, Wesley was weighing what to do with her three remaining embryos. Her IVF clinic explained the options, and Wesley decided to donate hers.

Some organizations arrange only anonymous donations, which wasn't going to work for Wesley. She wanted to know who received the embryos, whether any children were born and if they had any medical condition she should know about for Kaylee's benefit.

She also wanted the chance one day to meet the child who grew from her embryo.

Wesley found a matching service, Embryo Connections, that would help her donate the embryos to someone she could contact. She also insisted that if the person who received her embryos didn't use them all, the remaining ones would be returned.

When Kaylee was about a year old, the company matched Wesley with Vanessa Kaiser, a French woman living in Boulder, Colo. The embryos were sent to Kaiser's IVF clinic, and she got pregnant on her first try. Her son, Eliott, was born in July 2020. Kaiser sent photos.

After she donated the embryos, Wesley said, she knew she wouldn't use them again. Yet she still wanted to experience pregnancy and help another family. "I felt I wasn't done," she said.

Wesley contacted an agency that connects women willing to serve as surrogates with families who need them. The agency put her in touch with a gay married couple who had made frozen embryos. She would receive $35,000 plus expenses to carry an embryo through pregnancy and birth.

The parents-to-be, Christopher Kelly and his husband, Neritan Xhaferi, lived in New Jersey, close enough to meet Wesley at the clinic for checkups. When the baby was kicking, she sent videos of her stomach. She understood the baby wasn't hers, helping her to keep an emotional distance. "I don't know if I could have carried my own embryo and handed it off," she said.

At home, Wesley read books to her children about her pregnancy and how the baby wouldn't live with them. She explained that she helped people by temporarily caring for children in foster care and that she was doing the same for the baby growing in her body.

Surrogate birth

Wesley gave birth to Frances in October 2020. Wesley's mother, Gloria, was there for the birth and held the newborn girl. Kelly and Xhaferi, who have a 6-year-old son, haven't decided whether they want another. For now, they are paying the annual storage fee for their four remaining embryos.

If they go forward with another baby, Wesley said, she would consider being a surrogate again.

She adopted Freya a year later, when the girl was 5. "I was her mother," Wesley said. "It wasn't even a question."

In December 2021, Kaiser sent Christmas greetings from Colorado and photos of Eliott. Wesley saw that Eliott and Kaylee have the same nose.

Kaiser said she and Eliott were moving to France to be closer to her parents and sister. The two women had already agreed that if Kaiser didn't use the remaining two embryos, she would return them to Wesley. Kaiser told Wesley she should connect with a family who needed them.

"I am happy someone else can have a child with those embryos, but I hope it will just be the three of us mothers," Kaiser said. "It is already quite complicated."

'Hard to explain'

In the years since, Eliott, who speaks only French, has asked about his father. Kaiser, 46, said she told him there was a sperm donor. Eliott doesn't yet know he has a sister or that Wesley is his biological mother. "It is quite hard to explain," Kaiser said.

Wesley said she doesn't mind that she hasn't yet met Eliott, who is now 3. "Once I handed the embryos off, and didn't carry them, I didn't feel like their mother," she said. "That's her child."

Her last two embryos went to Meredith Sherman, a 42-year-old nurse practitioner in Rhode Island. Sherman had previously tried three rounds of IVF using her own eggs without success. Now, she looks forward to her doctor implanting one of Wesley's embryos early next year.

Sherman struggles with the idea that she won't have a biological tie with a child born from Wesley's embryo. "I remind myself," she said, "what you want is to be a mom."

On a recent evening, Wesley sat with Noah and Elizabeth at the kitchen table. Two cats dozed on a blanket. A whiteboard listed schedules—gym, swimming, library—and a reminder to feed the chickens in a backyard coop.

Baby pictures

She asked her older children to help her make a family timeline. They went through their photos: Baby pictures. Walt Disney World. Camping at the lake. Beach trips. Wesley wrote the dates when each child was born and when they were adopted.

The family added photos of other children that Wesley has mothered in one way or another over the years, including Kaylee's brother Eliott in France, as well as Frances, the baby Wesley carried for Kelly and Xhaferi. Wesley plans to frame the timeline. But not quite yet.

"There are two more frozen embryos," she told her children. "Leave some room."

WORLD NEWS

Egypt Offers New Gaza Peace Plan

Israeli war cabinet meets on proposal; potential resistance from both sides

By Summer Said And Carrie Keller-Lynn

Israel's war cabinet met Monday night to discuss a three-step plan put forward by Egypt for ending the war in Gaza, Israeli officials said.

The peace plan, a copy of which was reviewed by The Wall Street Journal, is the most comprehensive to be proposed to the two parties in the 11-week-old Gaza war. Some terms are expected to be strenuously resisted by both sides.

The deal calls for an initial pause in fighting to allow for the release of Israeli hostages including children, women and elderly in need of urgent medical attention, in exchange for the release of around 140 Palestinian prisoners. It would be followed by the formation of a transitional government for the Gaza Strip and the West Bank made up of Palestinian factions including Hamas.

Israel's war cabinet was meeting as pressure mounts to bring home the remaining 129 hostages, including 22 dead bodies, held by Hamas. It also comes as the death toll among Israeli soldiers is rising.

Israeli minister Benny Gantz, one of the war cabinet's three members, told a group of hostage families on Sunday that there are several proposals in the works to release those held but signaled it wasn't clear they were all being seriously considered, according to one of the attendees at the meeting.

"I can't say there is progress yet," Gantz said, according to the person. "There are Egyptian proposals and there are other proposals flying around from all kinds of directions. I don't even know which of them are even relevant."

◆ Peltz leaves Wiesenthal Center's board..... B9

MAHMUD HAMS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Palestinians mourned their relatives killed in an Israeli strike, during a mass funeral in the southern Gaza Strip on Monday.

The White House National Security Council declined to comment on the Egyptian proposal. As efforts to reach a hostage deal continue, a Biden administration official said many competing ideas are circulating, so it would be a mistake to put too much stock into any one.

On a visit to troops in north Gaza on Monday, Israeli Prime Minister Benjamin Netanyahu gave no signal that the war could end soon. "We're not stopping, the war continues until the end," he said.

In a WSJ op-ed that published later Monday, Netanyahu outlined three prerequisites for peace between Israel and Palestinians in Gaza: "Hamas must be destroyed, Gaza must be demilitarized, and Palestinian society must be deradicalized."

Egypt shared the multiphased proposal late last week with Israel, Hamas, Qatar and the U.S. and has discussed parts of it with the Palestinian Authority, the semiautonomous body that controls parts of the West Bank. Those discussions, according to Egyptian officials, included the creation of a transitional, technocratic government after a cease-fire deal is reached between Israel and Hamas.

The proposal by Egypt will face significant hurdles on both sides. Including Hamas in any transitional government would run up against Israel's overarching war aim of eradicating Hamas, while the release of senior Palestinian prisoners would meet resistance from Israel's right-wing government.

"This deal is really a victory for Hamas and it's really difficult for me to see the Israelis agreeing to that," said Gershon Baskin, who previously negotiated a hostage-release deal on Israel's behalf.

Hamas's leader in Gaza, Yahya Sinwar, is unlikely to accept a deal by which he would relinquish power in Gaza and release Israeli hostages.

On Monday, the Israeli military said fighting continued in the Hamas stronghold of Khan Younis, where it is in the process of establishing operational control over the city's main routes. Israeli airstrikes overnight killed dozens of Palestinians in central Gaza, health authorities in Gaza said.

Late Monday, the military said that soldiers found a Toyota Corolla vehicle that belonged to the family of the late Israeli hostage Samer Talalka. Talalka and two other Israeli hostages were mistakenly shot by Israeli soldiers earlier this month. Their deaths intensified pressure on Netanyahu's government to take new steps to free the remaining hostages.

The Egyptian proposal's first phase calls for Israel and Hamas to agree to a roughly 10-day pause in fighting, during which all civilian hostages being held in Gaza would be released in exchange for the Israeli release of around 140 Palestinian prisoners. That phase also calls on Israel to withdraw its forces from residential communities in Gaza and allow the free movement of Palestinians across the strip.

In the second and third phases, Israel and Hamas would negotiate the release of female Israeli soldiers, followed by male Israeli soldiers, in return for large numbers of Palestinian prisoners.

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Scan this code for a video on Christmas in Bethlehem amid the war in Gaza.

U.S. Strikes Militant Drone Sites In Iraq

By Gordon Lubold

WASHINGTON—The U.S. said it struck three drone facilities used by a Shiite militant group and other groups in Iraq in response to a series of attacks by the groups on American positions in Iraq and Syria, including an attack Monday in northern Iraq that injured three American troops and left one in critical condition.

"These precision strikes are a response to a series of attacks against U.S. personnel in Iraq and Syria by Iranian-sponsored militias, including an attack by Iran-affiliated Kataib Hezbollah and affiliated groups on Erbil Air Base earlier today, and intended to disrupt and degrade capabilities of the Iran-aligned militia groups directly responsible," Defense Secretary Lloyd Austin said.

Early assessments showed that the U.S. airstrikes against the groups destroyed the facilities used by Kataib Hezbollah and other groups and "likely killed a number of Kataib Hezbollah militants," U.S. Central Command said in a statement.

This is the fifth time the U.S. has taken a military response against such groups in Iraq and Syria since those groups, which are considered to be backed and aligned with Iran, started targeting American positions there with drone and missile attacks following the Israeli move into Gaza.

An American contractor died of cardiac arrest following an earlier attack in Iraq, and a dud drone landed on a barracks in a separate attack, but didn't kill any American troops. The attack Monday in Erbil, by a drone that hit a building housing U.S. troops, appeared to be the most serious thus far.

President Biden directed the strikes, Austin said.

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Red Sea Attacks Press Biden

A Houthi fighter on the deck of the Galaxy Leader, a cargo ship seized off Yemen recently.

YAHYA ARHAB/EPA/SHUTTERSTOCK

Continued from Page One

created a new front in the battle between Israel and Hamas and are just the latest test of Washington's ability to support its closest Middle East ally while trying to contain the conflict from spilling over into a regional war.

"Everyone, including Iran, is trying to avoid escalating and falling off the ladder," said Andrew Tabler, a former Middle East director at the White House's National Security Council.

Yemen has been engulfed in a civil war for nearly 10 years, with Iran backing the Houthis, who control the capital and other large parts of the country. After Israel responded to Hamas's Oct. 7 assault by launching a military operation against Gaza, the Houthis directed attacks at targets they associated with Israel, while other Tehran-aligned militias have launched missiles and drones at U.S. bases in Iraq and Syria. Lebanon's Hezbollah has also fired rockets at Israel.

The Houthi attacks prompted the U.S. and allies to deploy naval ships to deter further strikes, a move that has helped ease concerns among some shippers. On Sunday, shipping company A.P. Moller-Maersk said the U.S.-led effort had prompted a decision to take steps to resume sending containerships through the Red Sea.

But other companies that have stopped voyages through the waterway, including BP PLC of the U.K. and Equinor of Norway, have yet to return.

On Sunday, the Houthis warned of more attacks in response to the arrival of U.S. warships. "The threat to international maritime navigation results from the militarization of the Red Sea by the United States and its allies," Mohammed Abdul Salam, a spokesman for the group, said on X.

U.S. officials are pushing the Israelis to wind down this phase of the conflict in Gaza quickly, in the hope that doing so would curb the attacks in the Red Sea. But there is a debate, within the Biden administration and between the U.S. and Israel, over how to respond to the attacks in the Red Sea.

Some inside the U.S. government would like to avoid having to strike the Houthis now, choosing to sidestep a provocation that could widen the conflict. Others said the U.S. should send a signal to the Houthis soon.

But Washington also sees the Houthis as a wild card whose conduct isn't always predictable.

The attacks, as described by sailors who spoke to The Wall Street Journal, appear to include attempts to hijack ships.

Late Saturday, members of the crew of the Norwegian-flagged Blaamanen were on deck near Yemen's coastline when they heard an approaching buzzing sound. Minutes later, a ball of fire exploded in the night, according to a sailor on board. "It was terrifying," the crew member said.

U.S. Central Command said later that the Houthis had unsuccessfully launched a drone at the Norwegian-flagged tanker, which the U.S. Navy later escorted through the Bab el-Mandeb Strait on its way to India. The Blaamanen's operator and owner, Hansa Tankers, confirmed on Sunday a drone had narrowly missed the vessel.

Ten days earlier, the Bermuda-registered Ardmore Encounter was on its way to deliver Indian jet fuel to Western Europe, when a skiff with gun-toting men on board appeared. Someone claiming to be with Yemen's navy made contact on the tanker's emergency radio channel, ordering the ship to move to a nearby terminal controlled by the Houthis, or be attacked, according to a member of the crew.

"We refused and we were fired upon," the crew member recounted.

The attackers fired two missiles at the vessel, but both missed. The captain made a distress call, prompting a nearby U.S. warship to move in to protect the tanker.

The USS Mason intercepted a drone that was also launched by the Houthis, according to the Defense Department and British security consulting firm Ambrey, which both corroborated the sailor's account.

The Ardmore's manager, Ardmore Shipping, didn't return a request for comment. Its owner, Ballycotton Shipco in the Marshall Islands, couldn't be reached for comment.

The conflict in the Red Sea—where about 12% of the world's seaborne trade transits—and in nearby shipping lanes is forcing shippers to delay deliveries by sailing around Southern Africa rather than pass through the Suez Canal.

Sen. Bill Hagerty, a Tennessee Republican, told Fox News on Sunday that Iran has been emboldened by what he described as inconsistent messages from the administration. "We have to maintain freedom of navigation operations in the seas," Hagerty said. "We cannot cede that to Iran."

A spokeswoman for the National Security Council, Adrienne Watson, defended the administration's policy on Iran, including the multinational naval force to protect shipping in the Red Sea. "We have been outspoken about the danger of Iran's destabilizing actions, and have forcefully condemned the direct threat their support of the Houthis presents to international commerce and maritime security," she said.

—Dov Lieber, Saleh al-Batati, Tripti Lahiri, Aresu Eqbali and Andrew Ackerman contributed to this article.

ROME

Pope Calls For End to Gaza War

Pope Francis called for an end to the war in Gaza and denounced the international arms industry for fomenting conflicts there and around the globe, in his traditional Christmas message.

"If we find instruments of death in our hands, sooner or later we will use them," Francis said, speaking from the central loggia of St. Peter's Basilica at the Vatican to a crowd in the square below. He said more attention should be given to the proportion of public funds spent on weapons, "so as to bring to light the interests and profits that move the puppet-strings of war."

The pope's speech on Monday included as usual a survey of global hot spots, including Russia's war in Ukraine and long-running civil wars in Syria and Yemen, but focused on the nearly three-month-old war in Gaza.

Francis said he grieved for the victims of the "abominable attack" by Hamas on Israel on Oct. 7, and he called for the release of the hostages held by the militant group. He also appealed for an end to military operations in Gaza, "with their appalling harvest of innocent civilian victims," and called for the provision of humanitarian aid to the battered enclave.

—Francis X. Rocca

PAKISTAN

Baloch Protesters Are Released

Pakistani police on Monday freed 290 Baloch activists who were arrested when they attempted to hold a protest last week in the capital, Islamabad.

The protesters wanted to draw attention to the case of 24-year-old Balaach Mola Bakhsh, who died in November while in police custody. Authorities said he was killed after militants ambushed the police vehicle transporting him.

Police said Bakhsh was carrying explosives when he was arrested. His family insists he is innocent.

—Associated Press

UNITED KINGDOM

Suspect in Banksy Theft Arrested

A second suspect was arrested in the alleged theft of a work by elusive street artist Banksy of a stop sign adorned with three military drones, London police said.

A man in his 40s was in custody on suspicion of theft and criminal damage, the Metropolitan police said.

Witnesses who arrived at a street corner Friday in the south London section of Peckham said they were stunned to watch a man with bolt cutters remove the sign as another man steadied a bike he stood on.

—Associated Press

WORLD WATCH

LORENA SOPENA/CONTACTO/ZUMA PRESS

TAKING THE PLUNGE: Participants wore Santa regalia at the Copa Nadal swimming event in Barcelona on Monday.

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Altman's Allies Keep Saving Him

Continued from Page One

bounded but climbed to more powerful roles with the help of an expanding network of powerful allies.

A group of senior employees at Altman's first startup, Loopt—a location-based social-media network started in the flip-phone era—twice urged board members to fire him as CEO over what they described as deceptive and chaotic behavior, said people familiar with the matter. But the board, with support from investors at venture-capital firm Sequoia, kept Altman until Loopt was sold in 2012.

Two years later, Altman was a surprise pick to head Y Combinator, the startup incubator that helped launch Airbnb and Dropbox, by its cofounder Paul Graham. Graham had once compared Altman with Steve Jobs and said he was one of the "few people with such force of will that they're going to get what they want."

Center stage

Altman's job as president of the incubator put him at the center of power in Silicon Valley. It was there he counseled Chesky through Airbnb's spectacular ascent and helped make grand sums for tech moguls by pointing out promising startups.

In 2019, Altman was asked to resign from Y Combinator after partners alleged he had put personal projects, including OpenAI, ahead of his duties as president, said people familiar with the matter.

This fall, Altman also faced a crisis of trust at OpenAI, the company he navigated to the front of the artificial-intelligence field. In early October, OpenAI's chief scientist approached some fellow board members to recommend Altman be fired, citing roughly 20 examples of when he believed Altman misled OpenAI executives over the years. That set off weeks of closed-door talks, ending with Altman's surprise ouster days before Thanksgiving.

Altman's gifts as a dealmaker, talent scout and pitchman helped turn OpenAI into a business some investors now value at $86 billion. The loyalty he engendered through his success mobilized high-profile supporters after his firing and inspired employees to threaten a mass exit.

'Bend the world'

"A big secret is that you can bend the world to your will a surprising percentage of the time," Altman wrote in his personal blog before his exit from Y Combinator.

Over his career, Altman has shown skill in bending circumstances to his favor. His ability to bounce back will be tested once again. Scrutiny of his management is expected in coming months. OpenAI's two new board members have commissioned an outside investigation into the causes of the company's recent turmoil, conducted by Washington law firm WilmerHale, including Altman's performance as CEO and the board's reasons for firing him.

"The senior leadership team was unanimous in asking for Sam's return as CEO and for the board's resignation, actions backed by an open letter signed by over 95% of our employees. The strong support from his team underscores that he is an effective CEO," said an OpenAI spokeswoman.

This article is based on interviews with dozens of executives, engineers, current and former employees and friends of Altman's, as well as investors.

CIARA MOKRI FOR THE WALL STREET JOURNAL

Sam Altman, who was fired and rehired as OpenAI CEO, in the company offices in March.

Flip phone

Altman was a 19-year-old Stanford sophomore studying computer science when he stepped into the limelight at a campus entrepreneur event in 2005. He stood onstage, held up a flip phone and said he had just learned all cellphones would soon have a Global Positioning System, now commonly known as GPS.

Altman asked anyone interested to join him to figure out how best to pair the technologies. He and his co-founders decided on a flip-phone app that would let people track their friends on a map, which Altman would later pitch as a remedy for loneliness.

During a later entrepreneurship competition, Altman impressed Patrick Chung, who had just joined New Enterprise Associates, a venture-capital firm, and was one of the event's judges. NEA teamed up with Sequoia and offered Altman and his team $5 million to pursue their idea.

Altman dropped out of school and Loopt was born. An early investor was Y Combinator, founded by Graham and his girlfriend, Jessica Livingston, now his wife. Altman became a favorite of Graham's.

A few years after the company's launch, some Loopt executives voiced frustration with Altman's management. There were complaints about Altman pursuing side projects, at one point diverting engineers to work on a gay dating app, which they felt came at the expense of the company's main work.

Senior executives approached the board with concerns that Altman at times failed to tell the truth—sometimes about matters so insignificant one person described them as paper cuts. At one point, they threatened to leave the company if he wasn't removed as CEO, according to people familiar with the matter. The board backed Altman.

"If he imagines something to be true, it sort of becomes true in his head," said Mark Jacobstein, co-founder of Jimini Health who served as Loopt's chief operating officer. "That is an extraordinary trait for entrepreneurs who want to do super ambitious things. It may or may not lead one to stretch, and that can make people uncomfortable."

Altman doesn't recall employee complaints beyond the normal annual CEO review process, according to people familiar with his thinking.

Among the most important relationships that Altman made at Loopt was with Sequoia, whose partner, Greg McAdoo, served on Loopt's board and led the firm's investment in Y Combinator around that time. Altman also became a scout for Sequoia while at Loopt, and helped the firm make its first investment in the payments firm Strip—now one of the most valuable U.S. startups.

Scrutiny of Altman's performance is expected in the coming months.

Michael Moritz, who led Sequoia, personally advised Altman. When Loopt struggled to find buyers, Moritz helped engineer an acquisition by another Sequoia-backed company, financial-technology firm Green Dot.

"I saw in a 19-year-old Sam Altman the same thing that I see now: an intensely focused and brilliant person whom I was willing to bet big on," said Chung, now managing general partner of Xfund, a venture-capital firm.

Graham's selection of Altman to lead Y Combinator in 2014 surprised many in Silicon Valley, given that Altman had never run a successful startup. Altman nonetheless set a high goal—to expand the family-run operation into an empire.

He made as many as 20 introductions a day, helping connect people in Y Combinator's orbit. He helped Greg Brockman, the former chief technology officer of Stripe, make a mint selling his shares in the successful payments company to buyers including Y Combinator. Brockman cofounded OpenAI in 2015 and became its president.

Altman turned Y Combinator into an investing powerhouse. While serving as the president, he kept his own venture-capital firm, Hydrazine, which he launched in 2012. He caused tensions after barring other partners at Y Combinator from running their own funds, including the current chief executive, Garry Tan, and Reddit co-founder Alexis Ohanian. Tan and Ohanian didn't respond to requests for comment.

Personal projects

Altman also expanded Y Combinator through a nonprofit he created called YC Research, which served as an incubator for Altman's own projects, including OpenAI. From its founding in 2015, YC Research operated without the involvement of the firm's longtime partners, fueling their concern that Altman was straying too far from running the firm's core business.

Altman believed OpenAI was primed for AI breakthroughs, including artificial general intelligence—a system capable of performing intellectual tasks as well as or better than humans. Altman helped recruit Ilya Sutskever from Google to OpenAI in 2015, which attracted many of the world's best AI researchers.

By early 2018, Altman was barely present at Y Combinator's headquarters in Mountain View, Calif., spending more time at OpenAI, at the time a small research nonprofit, according to people familiar with the matter.

The increasing amount of time Altman spent at OpenAI riled longtime partners at Y Combinator, who began losing faith in him as a leader. The firm's leaders asked him to resign, and he left as president in March 2019.

Graham said it was his wife's doing. "If anyone 'fired' Sam, it was Jessica, not me," he said. "But it would be wrong to use the word 'fired' because he agreed immediately."

Jessica Livingston said her husband was correct.

$13 billion

For years, even some of Altman's closest associates—including Peter Thiel, Altman's first backer for Hydrazine—didn't know the circumstances behind Altman's departure.

At OpenAI, Altman recruited talent, oversaw major research advances and secured $13 billion in funding from Microsoft. Sutskever, the company's chief scientist, directed advances in large language models that helped form the technological foundation for ChatGPT—the phenomenally successful AI chatbot. Sequoia was one of OpenAI's investors.

As the company grew, management complaints about Altman surfaced.

In early fall this year, Sutskever, also a board member, was upset because Altman had elevated another AI researcher, Jakub Pachocki, to director of research, according to people familiar with the matter.

Internal conflict

Sutskever told his board colleagues that the episode reflected a long-running pattern of Altman's tendency to pit employees against one another or promise resources and responsibilities to two different executives at the same time, yielding conflicts, according to people familiar with the matter.

"Ilya has taken responsibility for his participation in the Board's actions, and has made clear that he believes Sam is the right person to lead OpenAI," Alex Weingarten, a lawyer representing Sutskever, said in a statement. He described as inaccurate some accounts given by people familiar with Sutskever's actions but didn't identify any alleged inaccuracies.

Altman has said he runs OpenAI in a "dynamic" fashion, at times giving people temporary leadership roles and later hiring others for the job. He also reallocates computing resources between teams with little warning, according to people familiar with the matter.

Nervous board

Altman misled board members, leaving the impression with one board member that another wanted board member Helen Toner removed, even though it wasn't true, according to people familiar with the matter, The Wall Street Journal reported.

The board also felt nervous about Altman's ability to use his Silicon Valley influence, so when members decided to fire him, they kept it a secret until the end. They gave only minutes notice to Microsoft, OpenAI's most important partner. The board said Altman had failed to be "consistently candid" and lost their trust without giving specific details.

Altman retreated to his 9,500 square-foot house, which overlooks San Francisco in the city's Russian Hill neighborhood.

One of his key allies was Chesky. Shortly after Altman was fired, Chesky hopped on a video call with Altman and Brockman, who had been removed from the board that day and quit the company in solidarity with Altman. Chesky asked why it happened. Altman theorized it might have been about the dust-up with Toner or Sutskever's complaints.

Satisfied it wasn't a criminal matter, Chesky phoned Nadella, the Microsoft CEO.

A small group of Silicon Valley power brokers, including Chesky and Conway, advised Altman and worked the phones, trying to negotiate with the board.

The board named Emmett Shear, an OpenAI outsider, as interim CEO, drawing threats to resign by most of the company's employees. In another lucky turn of fortune for Altman, Shear was an ally and a mentor of Chesky's.

Together, Chesky and Shear helped clear a path for Altman's return.

Matinees Attract Hip Crowd

Continued from Page One

ticket trends, it's clear the cool crowd—or at least a portion of it—has turned 2 p.m. into the new 8 p.m. Or 7 p.m., since some shows now have earlier evening curtain times in keeping with this earlier-is-better shift.

As the Tony Award-nominated playwright Jeremy O. Harris recently shared on the social-media platform X: "Wednesday matinees aren't just for senior citizens."

Harris's post came replete with a photo of a fashion-conscious matinee-goer, plus the observation that daytime performances are "fantastic options for well dressed young people with busy nights and time to spare after a quick business lunch."

In a report released earlier in December, the Broadway League, the trade group that represents producers and theater owners, noted that the average age of the Broadway attendee is now 40.4 years old, the youngest it has been over the past two decades.

At the same time, TDF, a nonprofit organization that sells tickets for Broadway shows and other cultural events at a discount, says its matinee sales to members have increased at a higher rate than its evening sales in recent years.

It's considered a positive sign for an industry that hasn't fully regained the booming box-office success it enjoyed before the pandemic. That's notwithstanding the fact that Broadway is heading into what is usually its busiest time—the week between Christmas and New Year's Day. Not so incidentally, it's also a time when many shows add extra matinees to their schedule.

The growing interest in afternoon performances has prompted Ken Davenport, a prominent producer, to upend the traditional Broadway arrangement of limiting matinees to Wednesdays, Saturdays and Sundays.

CAM POLLACK/THE WALL STREET JOURNAL

Patrons line up for a matinee performance of 'Hadestown.'

Davenport has offered a fourth matinee—on Thursdays—for his two current shows, the musicals "Harmony," written in part by pop legend Barry Manilow; and "A Beautiful Noise," which features the songs of Neil Diamond. The Thursday daytime performance replaces a Wednesday evening one that Davenport would have otherwise scheduled.

Davenport admits his audience skews more to the senior set than the crowd Harris describes, though the producer insists they are "hipsters in that [older] community" nonetheless. More to the point, Davenport says Broadway audiences in general are increasingly looking for the daytime option as part of a broader, post-pandemic shift.

"This is really a societal change of people wanting to be home and in their PJs before 10 p.m.," he says.

Which is something that many matinee-goers willingly admit to.

"I can process better in the day," says Jono Waks, a 55-year-old publicist who was attending a performance with Weil. "When I go at night, the chances of me dozing off might be greater."

Some matinee attendees also say they like the idea of sneaking off during the day to catch a show, almost as if it's a guilty or illicit pleasure. Rachel Weingarten, a marketing professional and veteran theatergoer who calls Brooklyn home, likes to put the matinee experience in, ahem, sexual terms.

"It's like an afternoon delight but you're not going to worry about getting an STD," she says.

Madison Pittman, a 27-year-old matinee devotee and Brooklynite by way of Kansas City, Kan., says attending a glitzy Broadway show on a Wednesday afternoon makes her feel like a true New Yorker.

"I never thought I'd have the ability to go see a quality production in the middle of my day," she says.

Not every theater buff believes the afternoon scene has changed. Jennifer Baum, chief executive of a marketing agency and a longtime theatergoer, says she gave up on Broadway matinees several years ago when she saw patrons eating sandwiches during the middle of one show.

"It was one of the most distracting experiences we ever had," recalls Baum, who doesn't want to risk it again.

For the most part, actors welcome afternoon performances, especially on matinee days without a second show in the evening. They say they relish the opportunity to have the nighttime free, so they can catch up with friends, cook a proper meal or even do their laundry.

But there are challenges. Chip Zien, a star of "Harmony," says he has sometimes been stumped about when to eat on matinee days, since he doesn't like having a big meal before a show. But if he doesn't dine at all, he risks having hunger pangs by the second act and becoming a "loose cannon on stage."

Like so many others in the theater world, the Tony-winning playwright and actor Harvey Fierstein says he's a night person by nature. So, it takes some effort and adjustment to spring into action for a matinee.

"It's almost easier to do a midnight show," says Fierstein.

PERSONAL JOURNAL.

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How Kindness Echoes Around Our Worlds

Readers share how small gestures can prove powerful and help give us perspective

ELIZABETH BERNSTEIN

Theresa Gale was locking up her church recently after a long day of volunteering when a young woman approached her, asking for water and bus fare.

It was late and Gale was alone. But she gave the woman a bottle of water and $15 and offered her a ride to the bus stop.

In the car, the woman asked about the church, and Gale explained that the members believe that they have a duty to help those in need.

"Well, you are God to me today," Gale says the woman responded.

"I was touched," says the 65-year-old business consultant, who lives in Columbia, Md. "It was as if I, too, had received a blessing."

Gale is one of nearly 300 people who have written to The Wall Street Journal over the past three years to share stories of kindnesses they have performed or witnessed. The letters came in response to a column I wrote in 2020 about the physical and emotional benefits of being kind; the Journal also asked readers of its 10-Point newsletter to share their own stories.

I found the letters inspiring—and some so touching that I got teary-eyed reading them. So I decided to reach out to several of the readers who wrote to us to hear more.

People told of checking in on elderly neighbors; tipping generously or giving money to workers who don't often get tipped (such as janitors); and buying tacos for homeless people at food trucks.

One woman said she keeps water bottles in her car, with a dollar bill attached, in case she comes across someone in need. A man told of paying for the groceries of an elderly woman after her credit card was declined at checkout. Another said he dressed up like a leprechaun on St. Patrick's Day and delivered Shamrock Shakes to friends with cancer.

"It was nice just to put a smile on their face," he wrote.

At least one study found that people have become kinder in the past few years. (A silver lining to the pandemic!) I found several other themes in the letters: People remember an act of kindness they received for a very long time. Kindness is addictive. Small gestures are powerful. And being kind can help us find perspective and make meaning out of life.

"When you ask people what values matter most, a lot of them say they want to be there for others," says Jamil Zaki, associate professor of psychology at Stanford University and author of "The War for Kindness." "Acting kindly gives them a chance to affirm this."

CLOCKWISE FROM TOP: CAROLE HENAFF; ROSELLA SHISHIDO; JOEY TURNER; MARY BETH ARCIUOLO

Frank Arciuolo and his dog visit hospitals. LeeAnn Turner gives away loaves of her bread. Michael Shishido says 'you give what you've got.'

Pay it forward

Zaki says people often remember acts of kindness for years because they remind us that even when times are hard, we still have each other.

Don Crittenden wrote us about an experience 50 years ago, when he was a graduate student. He had a medical procedure that cost $300, much more than he could afford. Several weeks later, he received an anonymous letter that said the bill had been paid and made three requests: Don't tell anyone this happened. Don't try to find out who did this. Do something for someone else when the opportunity arises.

Crittenden took it to heart. For years, he tried to help people anonymously, such as the time he stuffed an envelope with money in the door of a man he knew had been laid off from work, rang the doorbell and ran.

More recently, he gave cash to a nurse who cared for him in the hospital who was scrambling to make ends meet and a young couple socked with medical expenses, explaining that someone once assisted him when he needed it.

"Helping others gives you joy because you are getting in touch with your best self," says Crittenden, 77, a retired pastor in Gallatin, Tenn.

Finding purpose

When Frank Arciuolo, 69, retired from the software company he helped run, he felt adrift. Then he adopted Missy, a mixed-breed puppy. To help funnel her energy, he signed her up for therapy-dog training, and when she graduated in 2016, he began taking her to hospitals and foster care programs to give people an emotional boost, Arciuolo wrote in his letter to us.

This week, Missy made her 700th pet-therapy visit, at a hospital in Connecticut.

Recently, Missy visited a man who was going to have his leg amputated and a little girl who then spent a week drawing the dog's portrait, which she taped to her hospital wall.

In the car, before each hospital visit, Arciuolo, who lives in Stratford, Conn., tells Missy: "Let's go make a smile."

"It's kind of awesome to bring a little bit of a break to someone's life," he says.

Small gestures can be big

Michael Shishido, 63, a radio producer in Honolulu, wrote the Journal about how he shared a GoFundMe link on Facebook for a friend of a friend facing large medical bills. (He also made a donation.) He later heard that the woman whose link he'd shared said that his act gave her hope.

Then last spring, Shishido experienced a serious medical issue and a friend set up a GoFundMe fundraiser to help with his expenses. He was surprised and grateful when several strangers donated or shared it.

Shishido says the experience reminds him of his favorite Christmas carol, "The Little Drummer Boy," in which the poor boy has no gift for baby Jesus but his music. "You give what you've got," he says. "Even small acts of kindness go a long way."

It's addictive

When we act kindly, the systems in our brain associated with reward light up, the same ones active when we eat chocolate, Stanford's Zaki says. They make us want to do that same awesome thing again.

LeeAnn Turner knows about this.

Like many others during the pandemic, she began baking sourdough bread. She experimented with flavors, such as praline caramel and jalapeño cheddar and soon was baking up to 20 loaves a week.

That was too much for Turner's family to eat, Turner wrote in her letter, so she started giving the bread away, first to friends and neighbors and then by posting each day's loaves on social media and leaving them on her front porch for the strangers who claimed them.

Now, she's given away more than 400 loaves, and people locally have started to call her the "Sourdough Queen of Fort Worth."

"It's addicting to make someone else's day," says Turner, 54, a pharmaceutical account manager. "And I am hoping to start a chain reaction of kindness."

Gift Giving Trimmed To Fund Experiences

By Imani Moise

Americans are spending more this holiday season, but not on presents that go under the tree.

While prices for toys and electronics started to come down just in time for Christmas, people are shelling out much more on dining, entertainment and tickets, Bank of America's card data shows. Spending on services rose 2.5% last month while retail spending excluding restaurants fell 1%.

Financial professionals and economists say spending money on experiences delivers longer-lasting joy than buying stuff. Investing in more quality time is also normally good for your bottom line.

But this year, the higher cost of fun might frustrate consumers hoping to cut their overall spending. Prices for services, which include things such as travel and entertainment, rose 5.5% over the past year while overall inflation rose 3.1%, according to the latest consumer-price index.

Traci Rosenthal and her partner agreed to cut their holiday budget so they could spend more on doing things together, such as catching Broadway shows. They skipped their normal gift exchange for Hanukkah and their December anniversary.

The 36-year-old New Yorker then slashed her gift budget for her colleagues by 40% and trimmed the tips she normally gives her building's doormen. Still, she estimates her holiday spending has already increased about $800 compared with last year because of higher costs for travel, food and outfits for holiday festivities.

High cost of fun pushes some shoppers to take on debt this holiday.

"It's pretty much impossible to pull back on eating out and alcohol spending," she said. "If you're going to do it, you're going to spend more this year because everything's more expensive."

Rising bills

Americans are expected to spend nearly $1 trillion this holiday season, marking a 15th straight year of growth, according to the National Retail Federation. Over the past two decades, holiday spending declined once, falling about 5% between 2007 and 2008.

Already, the average household spent 1% more on holiday items in November. That metric is likely understated because of the increasing popularity of Buy Now, Pay Later, which isn't reflected in the bank's internal spending data, said David Tinsley, senior economist at the Bank of America Institute.

SCOTT OLSON/GETTY IMAGES

Retail spending fell 1% last month while the service sector rose 2.5%.

The increase in holiday season spending comes despite many shoppers who had planned to spend less than last year, the Bank of America study found. Analysts say that higher wages and access to cheap credit has given these savers an incentive to spend more even if they would such as to cut back.

This year, Ailsa Johnson, a recruiter based in Orlando, Fla., is spending Christmas at her parents' home in the U.K. for the first time since the pandemic. She usually spends about $500 on gifts for family when she stays in the U.S. for the holidays to make up for the distance, and makes homemade treats for her friends in the States to save money.

But Johnson's recent promotion and year-end bonus meant she could cover her travel expenses without shrinking her gift budget. Though she doesn't feel the need to pull back spending to make ends meet, she has started to feel anxious about her cash flow.

"You feel it when you're spending more money, no matter what you've got in the bank," Johnson said.

How they pay

Not everyone has the money saved to cover higher holiday expenses, especially younger Americans. More than 40% of Gen Z and millennials expect to go into debt to make it through the holidays, Bank of America's data and survey results suggest.

Younger shoppers are taking advantage of financing options such as Buy Now, Pay Later to cover expenses they can't afford upfront. BNPL accounted for 7.2% of all online sales over Black Friday and Cyber week, up 25% from last year, according to Adobe Analytics.

Unlike carrying a balance on a credit card with a high interest rate, "Pay in 4" plans offered by BNPL companies allow shoppers to pay for purchases in fixed installments interest-free.

The cheap short-term loans have accelerated consumer spending, Wells Fargo analysts wrote in a research note earlier this month.

The services also make it easy for people to overspend and might lead to higher debt down the line, they said.

Aside from BNPL, shoppers are also looking for any way to avoid using a credit card. Last year, the average annual percentage rate on cards was 16%. This year, it has risen to roughly 21%, according to federal data. Credit-card balances rose 4.7% to $1.08 trillion outstanding in the most recent quarter.

Rosenthal, the New Yorker, said the $600 flight to Florida to visit her parents this month was twice the price she expected. She used her credit-card reward points to make it work without going into debt.

"I had to get a little creative with it," she said.

Age-Old Quest for Love Gets Some Help

By Charley Locke

A speed-dating Halloween event at a library near Chicago in October attracted older singles, including James Wyrick, 58, dressed as Captain America.

Romeoville, Ill.

On the Friday before Halloween, Lynn Phillips hurried home from work to change. She put on black slacks and a "dressy top," then blow-dried her bangs before carefully applying silvery eye shadow, mascara and a soft-pink lipstick. A friend from the assisted-living facility where she worked had invited her to a speed-dating event nearby. She was hoping to meet a guy.

"Most men my age don't have a car, live with a family member and have multiple DUIs," Phillips said at the event, hosted at the Romeoville Public Library outside of Chicago. "I want to meet a nice gentleman, somebody laid-back who's in the same boat that I'm in." At 62, she describes herself as "game for anything"—except dating apps. She's been there, done that, and thinks an in-person connection is a much likelier bet.

"This is like the old days," said James Wyrick, 58, dressed as Captain America with fingerless gloves and a shield harness. As the first man to arrive at the library event, his odds are looking good. "There are a couple ladies here who I'd love to ask out on a date," said Wyrick. "This is a gold mine."

Demand for senior dating services, from local mixers to age-specific apps, is higher than ever in a rapidly aging America. By 2030, there will be more residents over 65 than under 18 for the first time. According to Pew Research, 30% of Americans over 50 are single; for people over 65, it rises to 36%. Many of them are romantic as ever, hopeful to find love in whatever season of life it finds them.

But as singles age, dating brings new and specific challenges. Many are putting themselves out there for the first time in decades. Nearly all of them are navigating unfamiliar online tools. And they're grappling with questions they'd hoped never to face.

"Our seniors were asking me, 'When is it socially acceptable to start dating again after your spouse passed away?'" said Tina Williams, the outreach services manager at White Oak Library District, which includes Romeoville. In 2016, she started to field more questions from older patrons about how to date, particularly online. So she hosted a workshop covering the basics: the reputations of various apps, how to write an engaging profile, how to choose and upload a photo, when to ask someone to meet in person, how to recognize a scam.

"So many people kept calling afterwards, asking for more," she said. Soon, Williams was teaching her workshops across the district, then all over Illinois, where repeat attendees would return to update her about their dating experiences.

She thinks of herself as a confidante to these singles. "A lot of seniors feel they don't have that person in their life," she said. Her workshops gave way to speed-dating nights; she said that one couple who met at a library dating event has since gotten married.

Meanwhile, there is a growing industry of dating coaches for older adults. "I'm not a matchmaker," said Lisa Copeland, a love coach who helps women over 50 learn to date through her website, findaqualityman.com. "I work on helping people with what they can't see."

When she got divorced in her early 50s, Copeland turned to coaches to learn how to online date, but found that they were all younger than her and didn't empathize with the challenges of dating with age. "When you're in your 50s, you look in the mirror and you go, 'Oh God,'" she said. "No guy knows what you looked like at 20, but you have this negative self image because you've had babies and gone through menopause. A woman starts thinking she's not enough."

That's where she starts her dating program. Over six months, an online group of five to 20 women regularly report back to the cohort as they practice what Copeland teaches: how to think expansively about their types, what information to include in a dating profile, how to feel confident before a first date. It's more like action-oriented group therapy than lessons from a pickup artist.

"I thought I was too old and too tall to find love," said Heather Higgins, 75, who started working with Copeland when she decided to try dating after 20 years of singlehood. "At age 73 and 6 foot 1 inch tall, it never occurred to me that I would find the love of my life."

She started the program for the logistical support: advice about safety, which dating site to join first, how to compile a finite list of deal breakers. She attributes her confidence to the group environment. "When you're doing this alone, you feel really vulnerable," said Higgins. "The group made me feel comfortable."

After a couple months of online dating, she saw a man who looked particularly kind on Zoosk, an online dating site and app. She made the first move and sent a "heart" to Bruce, which Higgins said she never would have done before working with Copeland. She's grateful that she did: Nearly two years after their first date, the couple are talking about moving in together. "It never would have happened if I hadn't reached out," she said.

This fall, ABC's "The Golden Bachelor" presented a photogenic version of what it means to look for love in one's later years. Seventy-one-year-old Gerry Turner and his romantic prospects, all sexagenarians and septuagenarians, rock climb and ride motorcycles into the sunset. Most single older Americans experience romance with decidedly less drama, but there are relatable takeaways: Putting yourself out there as an older person, with the requisite baggage and aging body, is especially vulnerable.

As Copeland and Williams teach, to date while aging requires a perspective shift. First, you have to frame your varied life experiences as beneficial. Sagging skin and sunspots are evidence of parenthood and decades of beach days. A previous divorce and unsuccessful relationships mean that you now have a better understanding of yourself and your romantic needs. Dating after the rush of family and career can bring an exhilarating freedom about what your relationship can look like.

Next, they say, turn that logic on potential partners. Try to see them as peers who are shaped and marked by their own full lives.

"Often, we won't talk to guys because they look too old," said Copeland. "But we're all aging, we just don't see it in ourselves."

At the Romeoville library, confidence was in full swing on the dance floor, where DJ Kevin, wearing a bedazzled rainbow jacket, crooned Fred Astaire and Bobby Darin. Dracula twirled with a pumpkin; a sexy cop fixed her makeup in a compact as Captain America grabbed them another round of drinks. Over games led by chipper librarians, seniors introduced themselves as they filled out their "Boo Bash Bingo Cards," signing their names for prompts like "I had a physical in the past year," "I kissed someone new in 2023" and "I got caught having fun." The speed dating had worked, at least for some: Phillips had given out her phone number and made tentative plans to shoot pool with one of the eligible bachelors.

By 8 p.m., the party was winding down. Prizes were given out for the best costumes; the ice-cream maker had been raffled away. As DJ Kevin crooned "Stand By Me," librarians passed out library-branded eyeglass cleaning cloths and glow-in-the-dark condoms at the door. Patrons exchanged goodbyes, promising to catch up at the next mixer in January, or on a date before then.

DAVE KASNIC FOR WSJ MAGAZINE (3)

Curing Your Back Pain By Fixing Your Brain

YOUR HEALTH

SUMATHI REDDY

What if the best way to treat your chronic back pain is by retraining your brain?

That's the premise of a novel approach to chronic pain. Many people feel pain even after a physical injury has healed or when doctors can't find a physical cause. The approach, called "pain reprocessing therapy," tries to train the brain not to send false pain signals. Some early results are promising.

In a study published last year in JAMA Psychiatry, 66% of a group of people who did the therapy for a month were pain-free or nearly pain-free up to a year later.

The treatment is still largely in the research stages and typically not covered by insurance, but is being performed in a growing number of centers, including the VA Eastern Colorado Health Care System, which plans to start two clinical trials of the technique next year.

"Most physicians are taught in medical school that pain is biomechanical in nature," says Alan Gordon, founder of the Pain Psychology Center in Los Angeles, who conducted many of the PRT treatments for the patients in the JAMA study. "This idea that the brain could... actually misinterpret the signals from the body as dangerous when they're not is relatively new."

A search for new approaches

Doctors and researchers have long been on a quest for effective treatments for chronic pain. Chronic back pain in particular is notoriously difficult to treat and experienced by millions of Americans. With doctors more wary of prescribing opioids, patients often now cycle through physical therapy, steroid injections and acupuncture, with surgery sometimes used as a last resort.

Some patients use techniques borrowed from mental-health therapy to try to manage pain symptoms, but researchers hope pain reprocessing therapy can go a step further by actually eliminating pain caused by off-kilter brain signals.

After an injury, brain circuits can become hypersensitive to prevent you from getting hurt again, says Tor Wager, a psychology and neuroscience professor at Dartmouth College and senior author of the 2022 JAMA Psychiatry study. That's helpful while you're recovering but once the injury is healed, chronic pain can persist because the brain is sending out false alarms, presuming danger when there is none, he says.

"You can get stuck in this hypersensitive phase," he says.

Doctors and psychologists stress that this kind of pain, called neuroplastic pain, is real and not imagined. The cause is brain sensitization rather than a physical injury, says Wager.

Before beginning pain reprocessing therapy, doctors scan patients to make sure the pain isn't being caused by a physical injury or something else such as a tumor or infection, which are medical conditions that aren't appropriate for pain reprocessing therapy.

Therapists then talk with patients about their pain and the brain's role in it. They encourage people to pay close attention to how the body feels. Patients use exposure techniques, doing gradual movements they think will cause pain to teach the brain that those movements aren't actually harmful.

For example, if your back hurts when you bend forward, a psychologist would guide you through gentle bending while verbally reappraising the sensation as a false alarm and noting it so that it's not considered threatening or painful, says Wager.

Hope and questions

Yoni K. Ashar, a clinical psychologist, neuroscientist and assistant professor of internal medicine at University of Colorado Anschutz Medical Campus in Aurora, has been using pain reprocessing therapy for chronic pain patients for about five years. The work includes patients with migraines, ankle pain and back pain, among other conditions.

Patients' pain is often resolved within eight to 10 sessions, says Ashar, who was first author on the JAMA Psychiatry study. "One of the really intriguing ideas that comes out of this is reconceptualizing chronic pain as more of a psychiatric or mental health condition," he says.

Some doctors are skeptical about overstating the promise of PRT and similar treatments.

Dr. Daniel Clauw, director of the Chronic Pain and Fatigue Research Center at the University of Michigan, says he worries about the "over psychologizing of chronic pain."

He says he thinks the approach can be helpful for some but not all patients. Many chronic- pain patients have other conditions, such as depression or anxiety, but that doesn't mean that's what's driving their pain, he notes.

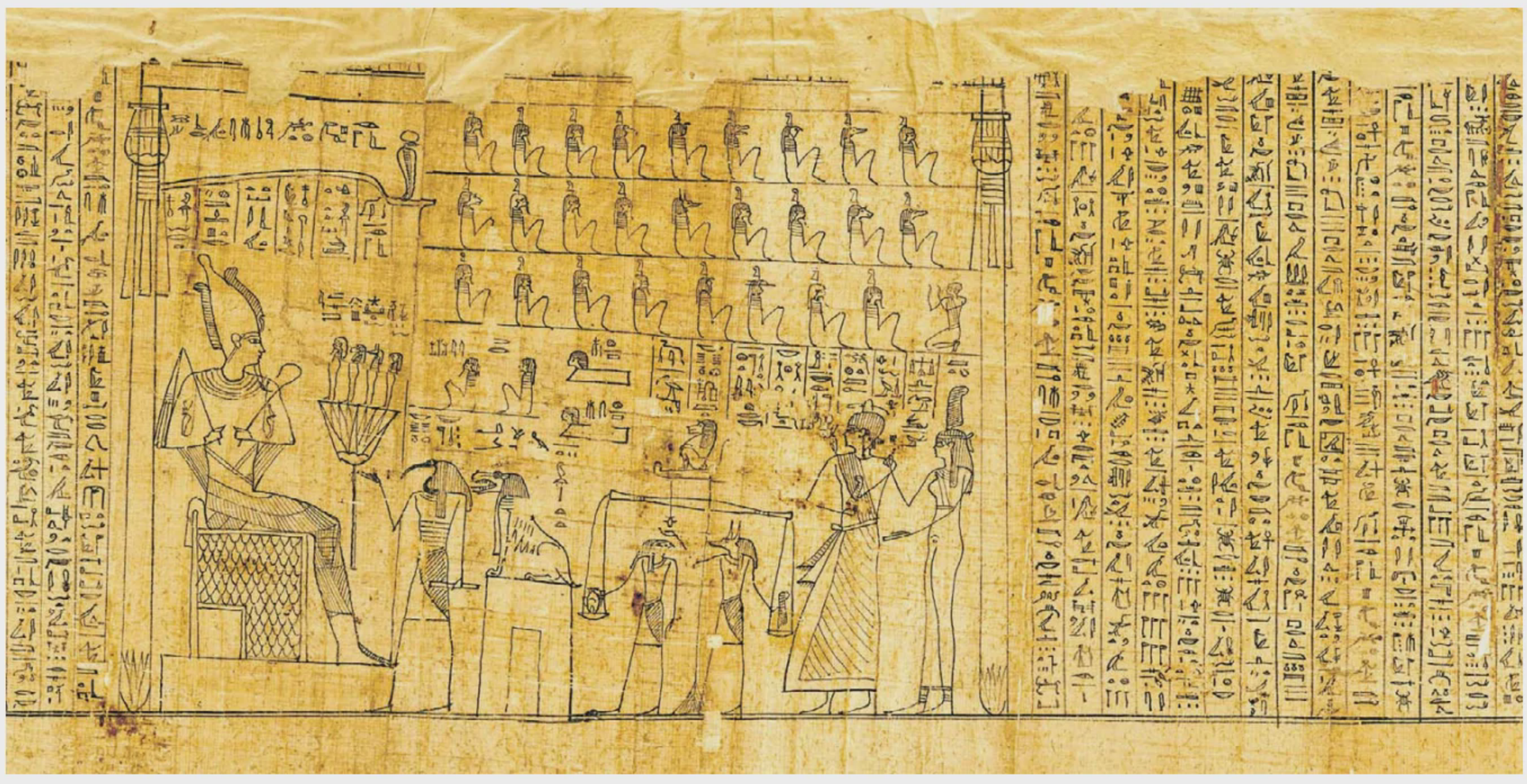
Still, many doctors are hopeful that alternate treatments will pan out because the existing options don't always work, leaving patients still struggling with pain.

Back surgeries aren't typically very effective unless done for sciatica or something specific, like a tumor or fracture, says Dr. Eeric Trumeers, an orthopedic surgeon and professor at Dell Medical School at the University of Texas at Austin. Most patients with chronic back or neck pain don't have a clear cause, he says.

"Finding other ways of addressing that pain is really a critical thing," he says.

ILLUSTRATION: THE WALL STREET JOURNAL; ISTOCK

ARTS IN REVIEW



THE J. PAUL GETTY MUSEUM

Papyrus of Pasherashakhet, son of Taber (375–275 B.C.)

EXHIBITION REVIEW

The Ancient Afterlife

A show at the Getty Villa Museum explores the Egyptian Book of the Dead

By Edward Rothstein

Los Angeles

About 3,500 years ago, did the Egyptian woman named Webennesre feel comforted at all being accompanied in death by a papyrus now on display at the Getty Villa exhibition "The Egyptian Book of the Dead"? Dating from between 1479 and 1400 B.C., the papyrus contains a "spell," an incantation, perhaps entombed with her, that she had to recite after death (but which she also had to learn in advance—with the papyrus serving as a posthumous crib sheet). It contains the names of 14 mounds that she would have to traverse in the afterlife, each governed by a different god. The hills included the "Mound of the Wenet region"; its god was "Destroyer of *ba* souls" (the ba is one's individual spirit). There was also a cavern; its god, we are told, was "Feller of fish."

The afterlife as portrayed in the Book of the Dead is one of elaborate and baroque intensity, as full of trials and grotesqueries as an average day in 1550 B.C. must have been—which is about the time these varied narratives, prayers, declarations, invocations and imaginings first began to be put in writing to help the living know what to expect after passing from this vale of tears. The vision of the afterlife on offer, at least as I see it, is not terribly enticing, and the dominant deity, Osiris, is a stern god of transformation, but maybe just being welcomed by him and swept up by the Sun god during his diurnal journeys—a fulfillment of an Egyptian death fantasy—was considered sufficient.

The Book of the Dead was given its name by a German Egyptologist, Karl Richard Lepsius, in 1842. He called the compilation the "Todtenbuch," but it is not really a book at all, as this potent single-gallery exhibition (created by Sara E. Cole, assistant curator of antiquities here) tells us from the start. Over 1,500 years, some 200 "spells" (as Lepsius dubbed them) were written on the walls of tombs and carved into stone and onto scarab and funerary figurines—and ultimately inscribed, with copious illustrations, onto papyrus and mummy wrappings. We see two examples of the other forms here: a sixth-century faience funerary figurine wrapped in a spell that would bring it to life to perform agricultural labor, and fragments of a painted wood coffin lid (about 100 B.C.-A.D. 100) with images of events and deities related to other spells.

Sometimes these various spells were collected. But there was never a canonical presentation or systematic organization involved. Lepsius numbered them nevertheless, and they retain those numbers, even after nearly two centuries of revision and discovery. The collection has also taken on an almost cultic importance (and was embraced for esoteric wisdom in 19th-century England by Helena Blavatsky's Theosophical Society, and by the Hermetic Order of the Golden Dawn—which had Yeats as a member).

The title may also give the wrong impression because in Ancient Egyptian references to the compilations, the word "dead" isn't used. They were called "Spells for Going Forth by Day." It is not resurrection that takes place, but the releasing of the ba that is going forth into daylight and must endure various trials before anything is resolved.

This exhibition is drawn from the Getty's Book of the Dead collection of seven papyri and 12 fragments of linen mummy wrappings—all donated by a book dealer in 1983 from a collection originally acquired by the 19th-century English collector Thomas Phillipps. None has been displayed until now, and all are undergoing scholarly study for the first time. Four papyri are shown here; all belonged to women, three of whom were priestesses at Thebes. There are also three linen strips from two mummies inscribed with spells, dating from the "later phases" of the Book of the Dead (about 400-100 B.C.). Sections of the same wrappings are now in collections around the world.

There is no intention to provide an encyclopedic overview of the subject, but the labels are illuminating about images and suggestive about overall beliefs (though it would have been helpful to have some spells translated in full). And enough is shown here to suggest how different Ancient Egyptian intimations of the afterlife were from Western Classical and Christian ideas. The afterlives of Homer or Dante connect eternal fate with earthly actions. The rewards offered for the great hero or saintly figure include blissful contentment and just acclaim. But for the Ancient Egyptians, this is no romp in the Elysian Fields—and the nature of the soul's assessment is less evident.

The main example of such judgment here is in the Papyrus of Pasherashakhet (375-275 B.C.): The subject appears at the court of Osiris to determine his fate in the afterlife. Twenty-six divine judges are portrayed above, watching. What will determine Pasherashakhet's fate? Two divinities, with falcon and jackal heads, have placed objects in a balance scale: a feather and his heart (which had been removed during mummification). They balance, and thus, Osiris is informed, his heart is "without fault"—which means that Pasherashakhet can find a home with the gods and enjoy agricultural plenty, without being devoured by another waiting animal-god, who had other ideas.

The Egyptian Book of the Dead
Getty Villa Museum, through Jan. 29, 2024

Mr. Rothstein is the Journal's Critic at Large.

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF DECEMBER 26

By WSJ Arts in Review Staff

Film

"The Color Purple"
Blitz Bazawule directs the latest version of the Alice Walker classic, drawing from the 2004 musical. Our critic called the movie "a holiday spectacle bursting with spirited sisterhood." The cast includes Fantasia Barrino, Taraji P. Henson, Colman Domingo and Halle Bailey.

"Ferrari"
Director Michael Mann hopes to push drama into high gear with this story of Enzo Ferrari—played by Adam Driver—the patriarch of the racing-cum-luxury car brand. Penélope Cruz, Patrick Dempsey, Sarah Gadon, Gabriel Leone, Jack O'Connell and Shailene Woodley also star in this story of a turbulent relationship and a man's drive to succeed.

"The Crime Is Mine"
The latest from François Ozon ("Swimming Pool") tells the story of an actress in the 1930s who becomes famous after beating a murder charge. Based on a play by Georges Berr and Louis Verneuil, the film stars Nadia Tereszkiewicz and Isabelle Huppert.

"The Teachers' Lounge"
A teacher played by Leonie Benesch steps in to try to solve a series of thefts at her school in Ilker Çatak's drama, which is also Germany's international entry for the Oscars.

TV

"Letterkenny," Season 12 *(Hulu, Dec. 26)*
The Canadian sitcom about small-town problems that's gained a cultlike following outside the Great White North returns with its final season. The 5,000 residents of the titular community are sure to be missed, even the skids.

"Hell Camp: Teen Nightmare" *(Netflix, Dec. 27)*
In this documentary director Liza Williams looks into the abuses—both mental and physical—that transpired at a wilderness therapy camp for troubled youths in Utah.

"Berlin" *(Netflix, Dec. 29)*
The prequel to Spanish crime drama "Money Heist" sees Pedro Alonso reprising his role as Berlin, a thief assembling a crew for a massive jewel robbery in Paris.

"Time Bomb Y2K" *(HBO, Dec. 30)*
Now a punchline, at the end of the last millennium the Y2K bug was anything but a joke. Directors Brian Becker and Marley McDonald look at the way the world reacted to the potential glitch in computer systems through archival footage of everyone from pop stars to militia groups.

NEON

Adam Driver in director Michael Mann's 'Ferrari'

Opera

"Carmen" *(The Metropolitan Opera, New York, Dec. 31-May 25, 2024)*
English director Carrie Cracknell makes her Met debut with a new production of Bizet's classic, starring mezzo-soprano Aigul Akhmetshina in the title role.

Last Call

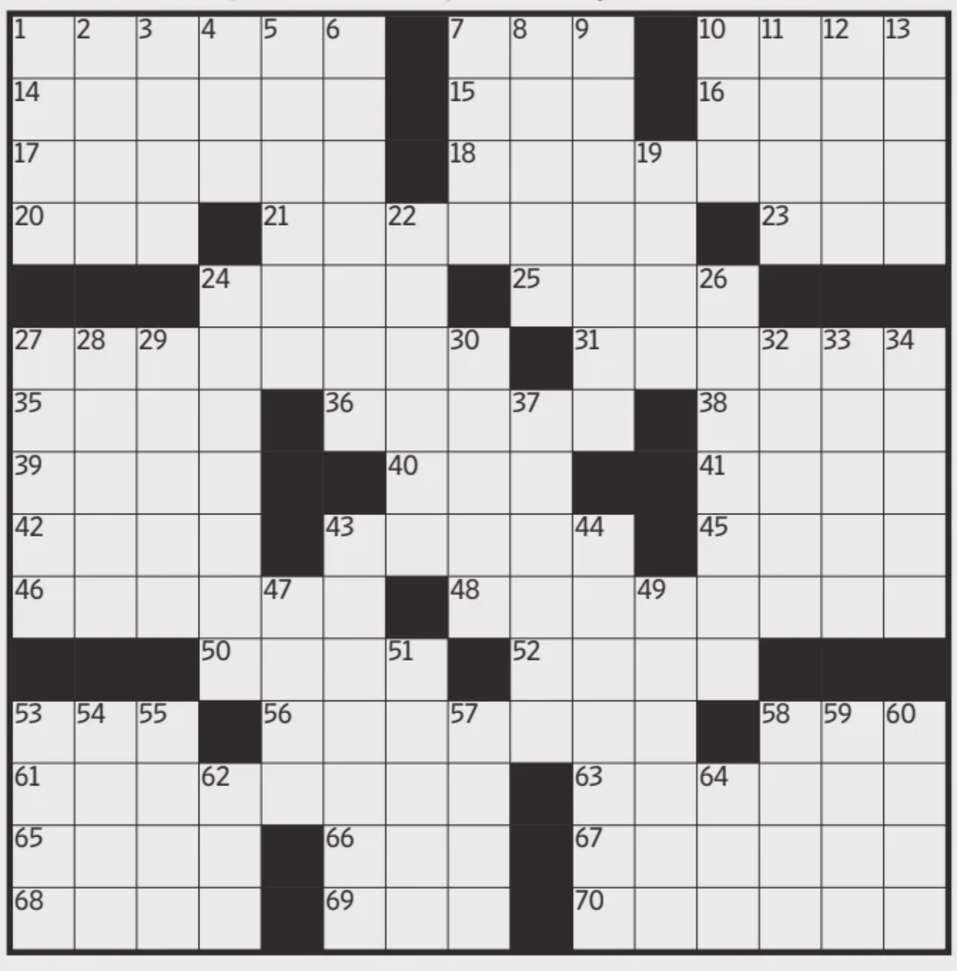
"George Balanchine's The Nutcracker" *(David H. Koch Theater, New York, through Dec. 31)*
A final chance to see the holiday classic, an epic staging with 90 dancers, 62 musicians, 40 stagehands, and more than 125 children in two alternating casts from the School of American Ballet—all of whom combine to bring to life the magic of Tchaikovsky's music, E.T.A. Hoffmann's story, Balanchine's choreography and Karinska's costumes.

"The Gardens of Anuncia" *(Lincoln Center Theater at the Mitzi E. Newhouse, New York, through Dec. 31)*
Graciela Daniele directs and choreographs this graceful, modest musical by Michael John LaChiusa that draws on her youth in Argentina. Our critic raved, "The show casts a shimmering, softly enrapturing spell; it's fragrant with its own perfume, a mixture of melody, memory and affection."

"The Magic Flute" *(The Metropolitan Opera, New York, through Dec. 30)*
A perennial favorite, the Met's family-friendly production (which clocks in under two hours), staged by Julie Taymor, gives a festive shine to Mozart's enchanting fairy tale.

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

The WSJ Daily Crossword | Edited by Mike Shenk



BOXING DAY | By Mike Shenk

Across
1 Band in a place setting
7 Digital jewelry item
10 Site for some cape work
14 Shopping in pajamas, maybe
15 Hold title to
16 Counselor to Captain Picard
17 Baffles
18 Smallest kind of star in astronomy
20 Twisty shape
21 Home of the Falcons and Hawks
23 Director Spike
24 Ventimiglia of "This Is Us"
25 Join the chorus
27 Cat breed not actually from the Indonesian island for which it's named
31 Fable finishes
35 Rider's strap
36 Play place
38 Attention-getting sound
39 Helper for a mgr.
40 Suffix for Manhattan or Brooklyn
41 "Whip It" band
42 Numbers for one
43 Performed terribly
45 Composer Satie
46 Delivery from the podium
48 Cowslip, e.g.
50 Sound of a crowd or the ocean
52 Grandson of Adam and Eve
53 Infraction prevented by a designated driver, for short
56 Briefing for the media, informally
58 Murals and mobiles, e.g.
61 Choice seating at a boxing match, and a hint to making sense of the peripheral answers
63 Tricky puzzle
65 "Do ___ others..."
66 Repair
67 Chant
68 One of five gifts on the fifth day of Christmas
69 Network of secret agents
70 Tea cake's round cousin

Down
1 It may require piercing the septum
2 Industrious bunch
3 In addition
4 Novak of "Vertigo"
5 Suffering
6 Gets comfy
7 Said thrice, a 1970 movie about Pearl Harbor
8 Track legend Jesse
9 When a meeting wraps up, e.g.
10 "Incidentally..." in a text
11 River through Russia
12 Ancestral knowledge
13 Item thrown overboard
19 Paul of "The Fabelmans"
22 Went bananas
24 Like a stronger mouthwash, maybe
26 Teachers, after exams
27 Rich opportunity, figuratively
28 Fable fellow
29 Fine cotton thread
30 Devour
32 "Holding Out for ___" (Bonnie Tyler hit)
33 Popular jeans
34 O from a Kool customer
37 Fantasy and romance, e.g.
43 Islamic chiefs
44 In motion
47 Perp pursuers
49 EGOT winner Rita
51 Commit a faux pas with a party chip
53 Group targeted in a bust
54 Boozehound
55 Global: Abbr.
57 Hot, in a way
58 Beginning from
59 Painter Magritte
60 Year indicator, of a sort
62 Mercury or Mars
64 Justice Dept. bureau

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

Previous Puzzle's Solution

D	E	Y		D	O	S	A	G	E		S	E	A	T
A	L	A		E	S	T	R	A	Y		E	G	G	S
F	I	R		C	H	I	C	K	E	N	C	O	O	P
T	A	N	G	I	E	R	S		S	O	T			
			A	S	A	S		H	O	W	S	A	D	
	K	I	W	I	S		T	O	R	I		N	U	T
H	O	N	K	S		E	S	S	E	S		G	L	O
O	R	C	S		R	Y	A	N	S		H	E	L	P
A	B	U		T	E	R	R	I		P	A	L	E	S
R	E	B		I	E	S		A	L	T	O	S		
	L	I	E	G	E	S		T	H	E	E			
		C	H	I	S		C	O	W	A	R	D	L	Y
L	I	G	H	T	P	L	A	N	E	S		I	O	U
O	R	E	O		T	A	T	T	L	E		A	W	L
G	A	M	S		S	T	O	O	L	S		L	E	E

The contest answer is **DECK THE HALLS**. Each of 12 Across clues ends with one of the gifts in the lyrics of "The 12 Days of Christmas" (Partridge, doves, hens, birds, rings, geese, swans, maids, ladies, lords, Pipers, drummers). The first letters of the answers to those clues, in order, spell the contest answer.

SPORTS

Clockwise from top left: Japan's Shohei Ohtani, gymnast Simone Biles, Inter Miami's Lionel Messi, the Nuggets' Nikola Jokic, Taylor Swift, Wimbledon champion Carlos Alcaraz and LSU star Angel Reese.

OHTANI: SAMURAI JAPAN/GETTY IMAGES; BILES: OLIVIER MATTHYS/SHUTTERSTOCK; JOKIC: MARK J. TERRILL/ASSOCIATED PRESS; MESSI: PETER JONELEIT/ICON SMI/ZUMA PRESS; SWIFT: JOHN SHEARER/TAS23/GETTY IMAGES; ALCARAZ: VICTORIA JONES/ZUMA PRESS; REESE: MADDIE MEYER/GETTY IMAGES; DOUGLASS: JACOB KUPFERMAN/GETTY IMAGES; KUSS: ALBERTO GARDIN/ZUMA PRESS; MATSON: AINSLEY E. FAUTH/UNC ATHLETIC COMMUNICATIONS

The Moments That Defined the Year

These are the top sports memories of 2023 as witnessed by the Wall Street Journal Sports staff

By WSJ Sports staff

Messi Makes His Mark

The list of the most memorable moments in Major League Soccer history is not a long one. There was the first ever match in 1996. There was David Beckham's debut in 2007. There was that time a goalkeeper got sent off after 34 seconds.

Lionel Messi came to America to change all that. Inter Miami made the Argentine World Cup winner the highest-paid player MLS has ever seen precisely to deliver the kind of indelible, viral moments that would help American soccer stand out in the country's crowded sports landscape.

It took Messi just 35 minutes to live up to his end of the deal. On a warm summer night, in a tiny stadium on the outskirts of Fort Lauderdale, in something called the Leagues Cup, Messi crowned his Inter Miami debut with a last-minute free-kick goal that won the game and immediately created headlines across the world.

It was just what MLS had paid for.

—Jonathan Clegg

Clark Explodes, Reese Swaggers

Caitlin Clark exploded for 41 points to lead Iowa to a stunning upset of No. 1 South Carolina in the 2023 NCAA women's Final Four. Clark could score from Steph Curry-esque distances, making the 6-foot guard from West Des Moines nearly unguardable.

So in a news conference before the championship game, I asked Iowa coach Lisa Bluder: How would you game-plan to stop Clark if you were the opposing coach? Bluder didn't hesitate.

"Pray," she said.

It turns out there was a team that could overcome Clark: transfer-fortified LSU. It beat the Hawkeyes in the final, 102-85, to win its first women's basketball title. The Tigers also minted a star of their own: Angel Reese, whose late-game taunting of Clark by pointing to her ring finger quickly became a meme.

The combination of Clark's electric shooting and Reese's daring swagger doubled the final's previous TV audience to set a record: nearly 10 million viewers.

—Rachel Bachman

The Marquee Matchup

The World Baseball Classic hardly holds the prestige of the World Series, but it provided the most exciting moment in baseball this season: Shohei Ohtani pitching for Japan, versus Mike Trout playing for Team USA, with a championship on the line.The two most remarkable players of their generation (and in Ohtani's case, potentially of all time) played together for the Los Angeles Angels for six years, but never made it to a playoff game together. The World Baseball Classic provided an opportunity for baseball fans to see what they had been hoping to see for years: Ohtani and Trout in a meaningful game — though this time, they were facing one another.

The dream of an Ohtani and Trout–led postseason juggernaut never came to fruition, and now they'll proceed as opponents. Ohtani will play for the Dodgers super team, while Trout's career continues to wither on the vine with the Angels.

For a moment, though, baseball had its two greatest players on display against one another. Ohtani struck out Trout. Japan won the World Baseball Classic. For one at-bat, the baseball world got what it wanted.

—Lindsey Adler

The 23-Year-Old Coach

I had never heard of Erin Matson until a few months ago. That admission just shows my ignorance: She is, unquestionably, one of the greatest American field hockey players ever to step onto the field.

But when I discovered last month that she was now the head coach at North Carolina at the absurdly young age of 23, I knew I had to learn more about her story. I'm glad I did.

Matson became the youngest coach ever to win a national championship when she guided the Tar Heels to their fifth title in six years. Afterward, I thought back to something Matson had said in our conversation, right after North Carolina won the ACC tournament.

"I thought I had it pretty good celebrating within the white lines and holding the trophy myself," she said. "But watching them, there was nothing like it."

The sentiment only solidified that Erin Matson isn't a typical 23-year-old. It left me thinking about all the people who have been overlooked because of their age. Let Matson be a lesson that age really is just a number.

—Jared Diamond

Erin Matson

No Escape From Alcaraz

Four hours and 42 minutes.

That's how long it took Novak Djokovic to learn first-hand and without a doubt that he was facing a new, major problem in tennis. The problem's name was Carlos Alcaraz.

Over the course of an entire afternoon on the crispy grass of Wimbledon, the 20-year-old Alcaraz wowed everyone inside Centre Court—including Djokovic—by playing the match of his short career to win the final 1-6, 7-6(6), 6-1, 3-6, 6-4. It was Alcaraz's second major title, but the first time that he'd shown he could beat one of the all-time greats when it mattered most.

For a set, it looked like the stage might be too big for Alcaraz. He went down 1-6 in just 34 minutes and was surely aware of one of the more alarming statistics in tennis: when Djokovic wins the first set of a match, he goes on to finish the job around 96% of the time. Alcaraz had *muchos problemas.*

But instead of freezing up, the kid from Murcia rediscovered all of the joy in his game. He put on a show, and the message was unmistakable. The biggest threat to Djokovic in the twilight of his career now has a name and a Wimbledon trophy.

—Joshua Robinson

Swift's NFL Takeover

There was one moment when this NFL season was turned upside down: when Taylor Swift attended a game to cheer on her beau.

Swift's rumored romance with Kansas City Chiefs tight end Travis Kelce burst into full view when she went to watch him play against the Bears at Arrowhead Stadium on Sept. 24—and then was spotted leaving the stadium with him. She has since gone to other games, sparking a collision between America's biggest pop star and America's most popular sport.

Even before Swift-mania hit the gridiron, this had already been the year of Kelce: He won the Super Bowl (beating his brother Jason), hosted "Saturday Night Live" and became an inescapable pitchman in commercials. But his romance with Swift brought it to an entirely new level, making him the subject of tabloids and the only people around more rabid than football fans. They're known as Swifties.

Swift's presence did something even more remarkable than breaking the bank with a concert tour and churning out a hit movie. She took over the NFL.

—Andrew Beaton

Kate Douglass

Swimming's Next Big Star

Michael Phelps became a swimming star because he was so good at so many races. Sprint butterfly, mid-distance freestyle, the grueling 400 individual medley—if Phelps was in the pool, he had a fighting chance to win. Since he retired, the sport hasn't seen another swiss army knife-like athlete.

Then along came Kate Douglass, a recent Virginia graduate and 2021 Tokyo Olympian. She ended her college career with a staggering 15 individual and three team titles and might have had more if not for the pandemic canceling the 2020 NCAA championships.

NCAA swimming takes place in a 25-yard pool while Olympic competition happens in a 50-meter pool. Excelling in both venues is hard, but Douglass does just that in more events than rules allow her to contest.

She set 10 American records in shortcourse with the Hoos, then won two gold, three silver and one bronze medal at 2023 FINA World Championships in July. What's crazier is the range of events she's doing it in—everything from the 50 freestyle to the 200 breaststroke. She could do as many as seven races, including relays, at the 2024 Paris games.

Anytime Douglass raced in 2023, it was must-see TV to swim nerds like me. And like Phelps in 2007, she is still coming into her own—she's only 22.

—Laine Higgins

Jokic Wants to Go Home

Nikola Jokic was sure he'd earned some time off. The two-time MVP had just removed all doubt about his status as basketball's best player, leading all playoff performers in points, rebounds and assists while carrying the Denver Nuggets to the NBA championship.

Then a reporter asked the Serbian superstar whether he was looking forward to the parade.

"When is parade?" Jokic asked. Informed it would be later that week—keeping him from a trip back to his native country and collection of beloved horses—he rubbed his head dejectedly. "No. I need to go home."

I sympathize with athletes like Jokic, who don't care for the cameras and microphones that come with the job. I often wonder how I'd feel if someone on the street waited every day to ask about my sentence structures, or if my work parties were held on downtown stages with thousands of people watching. I'm sure I, too, would want to go home—if that home were on the other side of an ocean, all the better.

Jokic fulfilled his duty as Denver's adopted son and joined in the festivities, telling Nuggets fans, "I f— ing love parade." Ain't no party like the one you've been dragged to.

— Robert O'Connell

Biles Comes Back, Better

Simone Biles became the most decorated gymnast in history when she anchored the U.S. women's team to victory and then won the individual all-around title at the world championships in October. Biles surpassed a record held by a Russian male gymnast from the 1990s, Vitaly Scherbo, and then went on to extend her lead by winning gold medals on floor and beam, and bronze on vault.

That wasn't the remarkable thing.

The prospect that the now-26-year-old Biles would ever be in a gymnastics competition again was unthinkable to many people, after a harrowing Olympic Games in Tokyo two years ago in which she had withdrawn midway through the team final because, she said, she was so disoriented that she was literally risking her neck. "The wires just snapped," she said later, after several years in which she had borne the pressure both of gargantuan expectations, and as the only victim of the former national team doctor Larry Nassar to still be competing in elite gymnastics.

Getting back under bright lights, in the heat of a major event, seemed impossible. Then, with a new emphasis on efficiency and execution over difficulty, Biles did it anyway. It was yet another astonishing feat that she was suddenly proving possible.

—Louise Radnofsky

End of an Era at Belmont Park

Belmont Park was the site of Secretariat's historic 31-length romp in 1973. The Elmont, N.Y., track hosted a record crowd of 120,139 in 2004 when Smarty Jones came up a length short of sweeping the Triple Crown. Then, American Pharoah finally snapped a 37-year Triple Crown drought in 2015. This past June, Jena Antonucci became the first female trainer to win a Triple Crown race after leading Arcangelo to victory in the Belmont Stakes. It was a feel-good moment for a sport that has been under heightened scrutiny as it seeks to implement uniform safety and antidoping rules.

Arcangelo's win also marked the end of an era for the 117-year-old track. Belmont Park is undergoing an extensive renovation, which includes the demolition of the current grandstand. The construction project, which is expected to take a couple of years, means that the 2024 Belmont Stakes will be run at Saratoga Race Course.

—Jim Chairusmi

Max's Mighty Monaco Lap

On a sunny Saturday in May, Max Verstappen reminded the world why he is one of the greatest drivers ever to sit behind the wheel of a Formula One car.

Having never before qualified on pole at the sport's most famous track, he was in deep trouble through the first two-thirds of his final time trial lap. Down 0.2 seconds to Fernando Alonso, Verstappen would need something magical to close the nearly insurmountable gap. Monaco's course is notoriously narrow for the modern F1 car and the driver at the front of the grid is all but guaranteed the victory on race day.

Pushing his car to the absolute limit while bouncing off several walls, Verstappen astonishingly crossed the line 0.08 ahead of Alonso. After emerging from the car, Verstappen took a moment to touch the tire where his car had rubbed the track walls.

The next day Verstappen would win the wet and wild grand prix. It was his second win on the way to a third consecutive drivers' title in what became the least suspenseful Formula One season in recent history.

—Timmy Huynh

Kuss's Ride of a Lifetime

I swore I would not write about bike racing because I know you all make fun of me behind my back when I do it, but: Sepp Kuss.

I can't not write about Sepp Kuss in our 2023 sports finale.

Kuss is the 29-year-old pro cyclist from Durango, Colo., who captivated the sport in September when he stunningly won the Vuelta a Espana, the prestigious three-week stage race which concludes in Madrid.

But that's barely the half of it.

Kuss isn't paid to win races like this. He's what's known in the trade as a domestique – a support rider for team leaders, particularly in the mountains, where Kuss excels. He sets pace. He provides aerodynamic cover. He fetches food and snacks, if needed.

Early in the Vuelta, however, Kuss found himself in first place, and it presented an awkward internal dilemma for Kuss's team, Jumbo-Visma: should they tell Sepp to hold back and support favorites Jonas Vingegaard and Primoz Roglic, or should Kuss go all out for victory?

Things got weird. Vingegaard and Roglic attacked Kuss in the mountains, taking time out of his lead, which led to a backlash, and finally, a team decision to ride in support of a teammate who'd supported them so many times.

Sepp Kuss

It was a feel-good win in a sport which admires suffering and sacrifice but seldom rewards the people who suffer and sacrifice the most. It was also the biggest American cycling title in a decade, and showed Sepp Kuss has the tools and will to do it again, if they let him.

—Jason Gay

OPINION

Musk Says 'Make More Italians'

MAIN STREET
By William McGurn

Elon Musk, listen up. I have a woman who not only knows what you want—she says she knows how to get it.

At a recent conference in Rome, Mr. Musk brought up one of his hobby horses: the challenge to global prosperity posed by declining fertility rates. That's the average number of children born to a woman over her lifetime. At 1.24 Italy's is among the lowest in Europe and well below the 2.1 rate a country needs to maintain its population.

His answer? "Make more Italians."

Enter Catherine Pakaluk. She agrees with Mr. Musk about birthrates. But she notes that countries have learned that while it's possible to drive birthrates down, it's much more difficult to drive them back up once the decline has started.

You might expect as much from a professor who earned her doctorate at Harvard and now teaches at the Catholic University of America. But this isn't your grandfather's econ professor. Mrs. Pakaluk met her husband, Michael, at Harvard, where he was a widowed father with young children.

They fell in love and married in 1999—making her an instant mother of six at age 23. The experience can't have been too bad. The Pakaluks went on to have eight more children.

It's part of her message that if you want people to have more babies, talk to the women who are defying the trend to smaller families. She's done exactly that, and she's found that the women who, like her, have large families do so because they place a higher value on being mothers, typically because they are more religious.

That may seem obvious, but it makes a feminist point. Women who have invested heavily in their own careers aren't about to make the trade-offs involved in having large families just for a few extra weeks' maternity leave or a bigger child-care subsidy. It's literally not worth it.

"Free-market solutions to low fertility are the only ones that have a chance," Mrs. Pakaluk says. "Tax-and-spend approaches fail because the costs that militate against having children—the opportunity costs—are too big to be influenced by cash transfers."

Mrs. Pakaluk points to Israel, whose 2.9 total fertility rate is the highest in the industrialized world. Yes, Israel offers some pro-natalist subsides. But these don't seem to be the decisive factor.

"Secular Israelis have birthrates similar to secular Americans," says Mrs. Pakaluk. "Israel stands out because it has a greater share of religious people."

The left loves gunking up the tax code for its pet preferences, such as discouraging fossil fuels. Some on the right now want to get in on the act by rejiggering the tax code to reflect right-wing priorities.

The real issue, Mrs. Pakaluk says, is how moms regard opportunity costs. The women she interviewed are aware of the trade-offs involved in having more children. Like Mrs. Pakaluk, many have full-time careers. The difference is that they seek to accommodate their careers to motherhood—not the other way around.

A Harvard-educated economist and mother makes the case for having big families.

And she's not calling for every woman to raise 14 children, as she has. "There'd be a big improvement if women who are open to more children just had a second or third."

Even so, the condescension toward women who choose more children remains. When President Emmanuel Macron five years ago mansplained that educated women don't have large families, Mrs. Pakaluk led a Twitter campaign for moms to post photos of their families for the French president. Even Pope Francis once crudely said Catholic women don't need to breed "like rabbits."

"What I'm interested in," Mrs. Pakaluk says, "is challenging a rigid narrative about female success patterned on a male timeline. I'm interested in raising awareness about the very real possibility of prioritizing children in a modern economy."

What a change this is. For decades, the orthodoxy on this subject was found in Paul Ehrlich's "The Population Bomb" (1968), which portended global cataclysm unless population growth wasn't suppressed. Women were told they were threatening the planet by having children. Now the fear is reversed.

"Total fertility rates below replacement lead inexorably to a shrinking population, economic stagnation and lower quality of life," Mrs. Pakaluk replies. "We won't have the people to staff valuable services. Social Security and Medicare will be shuttered. Many countries are already on this path. It can only be avoided if a nation can compete, indefinitely so, for a larger share of a shrinking number of world immigrants."

Many are not going to like Mrs. Pakaluk's solution, which is a civil society thick with religious institutions that are the most likely to share the value these women place on motherhood. But she makes a powerful case that nothing else has worked or is likely to work. So the next time Mr. Musk talks about population decline, he might want to bring along this economist and mother.

Write to mcgurn@wsj.com.

How We Deterred Iran in the Gulf Last Time

By William J. Luti

'We're not in an armed conflict with the Houthis," deputy Pentagon press secretary Sabrina Singh recently stressed, and "part of why we are in the region is to bolster our deterrence."

Such words aren't assuring for our Navy ships in the Red Sea, which have been fending off missiles and attack drones fired by the Iran-backed rebels for the past several months. Yes, the Navy's boast in an Army-Navy Game day video that one of our destroyers is 22-0 against Houthi fire is impressive and a testament to the skill of our Navy crews. But if the scoreboard flips to 100-1, Americans will demand to know why Iran didn't feel all that deterred by our naval deployments and why our sailors were injured or killed.

Actually bolstering deterrence requires the political will to impose a cost that far outweighs any gain the Houthis could hope to attain. Anything else is posturing that puts our sailors on the defensive and in harm's way.

Fortunately, we know how to re-establish deterrence. We've been here before.

On April 14, 1988, the USS Samuel B. Roberts was hit by an Iranian mine while escorting Kuwaiti oil tankers in the Persian Gulf. The explosion lifted the ship out of the water, ripped a 30-foot hole below the waterline, destroyed a 15-foot section of the keel, and seriously injured 10 sailors.

As recounted in Bradley Peniston's gripping account, "No Higher Honor: Saving the USS Samuel B. Roberts in the Persian Gulf," the crew welded steel plates and strung cables to keep the ship's stern from breaking off in a heroic case of damage control.

Four days later, at the direction of President Reagan, the U.S. Navy, in combined surface-ship and air attacks, engaged the Iranian Navy in a daylong battle named Praying Mantis.

After an Iranian mine ripped open a U.S. ship, Reagan made it costly for Tehran.

When my crew and I manned up for the early launch from the nuclear-powered aircraft carrier USS Enterprise, we didn't know the ensuing fight would become the largest naval and air battle since World War II.

Praying Mantis remains a case study in strengthening deterrence. Our victory kept Iran's navy at bay for more than two decades and helped change the course of the Iran-Iraq War, which had upended the region for eight bloody years. Iran never laid mines in the Gulf again.

Like the eponymous insect, our retaliatory strike was swift and savage. Our mission required the destruction of two Iranian oil platforms that served as staging bases for attacks on Gulf shipping and sinking one of two notorious Iranian frigates that had targeted merchant-ship bridge crews with machine-gun fire.

My squadron of EA-6B Prowler electronic attack aircraft was tasked to shut down Iranian fire-control radars and communications so our aircrews could safely reach their targets.

The battle's opening salvo damaged the oil platforms with naval gunfire and explosive charges. Iran responded by sending into the developing fray two F-4 Phantom fighter aircraft, a guided-missile patrol boat and a swarm of armed Boghammer speedboats.

We dispatched these threats unrelentingly. One Phantom was damaged, and both were chased off by surface-to-air missiles. The USS Wainwright and USS Simpson sank the patrol boat with missiles and naval gunfire. A-6E Intruder aircraft attacked the Boghammers, sinking one and damaging others. The remaining boats fled back to base.

Later that afternoon, an Intruder piloted by Cmdr. Bud Langston took fire from the Iranian frigate Sahand, which had sortied from port in reaction to our earlier strikes. He and his crew returned fire with missiles and a laser-guided bomb just as a missile fired by the USS Joseph Strauss hit Sahand. Another Intruder and A-7 Corsairs arrived overhead, delivered a barrage of missiles and bombs, and set the ship ablaze.

Several hours later the Sahand rolled over and sank. Boldly, if not foolishly, its sister ship, the Sabalan, arrived on scene and fired at another Intruder, piloted by Lt. Cmdr. Jim Engler. He and his crew returned fire with a single laser-guided bomb down the stack, exploding the frigate's engine room. A remarkable feat.

As other Enterprise airwing aircraft began their bombing runs, Reagan called off the attack after Joint Chiefs Chairman William Crowe said, "We've shed enough blood for one day." Iran later towed the severely damaged Sabalan to port.

Iraqi ground advances in April coincided with Praying Mantis and the USS Vincennes's accidental downing of an Iranian airliner in July. The combined effect convinced the ayatollah that the risk was too high to keep fighting. Iran was exhausted. By August the Iran-Iraq War was over.

Now history repeats itself. The multinational naval task force deployed to escort Red Sea shipping amid Iranian proxies' hostility is a welcome step. But if the Biden administration wants the Houthis to stop, it should remember that Houthis can't fire missiles and drones they no longer have.

Mr. Luti is a retired U.S. Navy captain and an adjunct fellow at the Hudson Institute.

Walter Russell Mead is away.

The Odds Are Against Even Numbers

By Gregg Opelka

There's something odd about our arithmetic. Like Rodney Dangerfield, even numbers don't get no respect.

Start with prime numbers. A prime number has only two factors, meaning it is divisible only by itself and 1. Except for 2, the token even number in the lot, the prime numbers—3, 5, 7, 11, etc.—are all odd. Prime numbers have a certain mystical allure, a flair that other numbers lack. Amazon calls its elite service "Prime." The word connotes status and superiority.

The three most popular sports in America—football, basketball, baseball—all feature teams consisting of an odd number of players: 11, five and nine. The evens lose again.

"Jeopardy!"—the most-watched game show of all time—pits three opponents against each other. "Wheel of Fortune" likewise. A common feature of jokes is the "rule of three," wherein the laughter-inducing surprise always comes in the third element of the joke. Ever hear someone tell a joke about two traveling salesmen?

Two, four, six, eight, too dull to enumerate.

Shakespeare's plays are written in five acts. Beethoven wrote nine symphonies, five piano concertos, one opera, and one violin concerto. Kurt Weill and Bertolt Brecht's 1928 masterpiece, based on John Gay's 18th-century play "The Beggar's Opera," was called "The Threepenny Opera," not "The Twopence Opera." Even Neil Simon's breakout comedy was "The Odd Couple."

Hollywood got the memo about avoiding the evens long ago. "Seven Brides for Seven Brothers," "The Seven Samurai," "The 39 Steps," "Five Easy Pieces," "9½ Weeks," "Ocean's Eleven." (All right, there were "12 Angry Men" and "Eight Men Out," but they're exceptions that prove the rule.) In another defeat for the evens, the title of the film "Three Days of the Condor" was changed from the book's original title, "Six Days of the Condor."

In Russia, Ukraine, the Czech Republic and other Eastern European countries, bouquets traditionally consist of an odd number of flowers—five carnations, three tulips, seven chrysanthemums. That is, unless you're bringing them to a friend or relative's grave, in which case the number must always be even. Heaven help you if you accidentally give the object of your affection a dozen roses; she'll think you're making a statement about the future of your relationship.

"Ah," some joker will object, "but what about a deck of cards? Aren't there 52 cards in a deck?" Yes, but how many in each suit? Thirteen. Not only odd, but another prime number.

For some inexplicable reason, even numbers are simply destined to be the dull yeomen of the numbering system, relegated to mundane lists, organizational structures or moralistic prohibitions. The Ten Commandments. The Ten Most Wanted Fugitives List. The 12 months of the year, the four seasons. A dozen eggs. The 50 states with their 100 senators. Yawn. The Seven Deadly Sins are more fun.

Even if the evens somehow ever managed to even the score, the odds would no doubt find a way to win. They're like that: born one-uppers.

Mr. Opelka is a musical-theater composer-lyricist.

BOOKSHELF | By John J. Miller

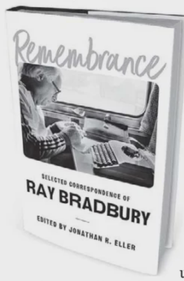
A Busy Life At the Typewriter

Remembrance: Selected Correspondence of Ray Bradbury

Edited by Jonathan R. Eller
Simon & Schuster, 528 pages, $35

The first sentence of "Fahrenheit 451" is one of literature's great opening lines: "It was a pleasure to burn." In the 1953 novel, now a modern classic, author Ray Bradbury went on to describe a future in which books are banned and firemen burn them. So it comes as a mild surprise to read Bradbury's letter from a dozen years earlier: "I just rifled my files and took one million words out and burned them up."

Bradbury wrote this sentence when he was still unknown—shortly before he sold his first story and long before the publication of books such as "The Martian Chronicles," "The Illustrated Man" and "Dandelion Wine."



Burning his pages, Bradbury believed, was a necessary annihilation: "Most of it was inane description, no plot, no idea. It hampered me, so I destroyed it."

Bradbury's admission appears in an illuminating volume of correspondence that provides fresh ways to understand and appreciate the author, who died in 2012. The contents of "Remembrance"—the title is the name of a nostalgic free-verse poem by Bradbury—have been "largely unseen until now," writes editor Jonathan R. Eller, who is Bradbury's biographer and a co-founder of the Ray Bradbury Center in Indianapolis.

The book's first letter, from 1937, reveals a 17-year-old with the gumption to invite the world-famous creator of Tarzan to attend a gathering of his science-fiction club: "We have often wished to have a chance to meet you and talk things over with you." Although Edgar Rice Burroughs politely declined, the exchange shows that the young Bradbury had big ambitions.

They didn't include a diploma after high school, however. "College ruins more writers than it makes," Bradbury wrote in 1965, when a 17-year-old sent him a fan letter in the way he once sent one to Burroughs. "You must educate yourself at your typewriter, every day." This autodidactic approach paid off but involved a lot of failure. "My average is one sale out of every three stories," he wrote in 1943. He later estimated having received more than 2,000 rejections.

Early on, Bradbury swapped advice and ideas with other pulp-fiction writers, such as Charles Beaumont and Robert A. Heinlein, as well as Henry Kuttner, an influential genre writer who died in 1958 and is little known today. He was a mentor to Bradbury—"my best and most consistent teacher."

As Bradbury rose and left behind "all those years of obscurity and editorial neglect," he traded letters with the likes of Federico Fellini, Graham Greene and Carl Sandburg. In 1992 President George H.W. Bush, as he campaigned for re-election, sent Bradbury a thank-you note for the gift of "Yestermorrow," a collection of essays: "I shall read it; but that must wait till my deadly debate book begins to gather dust." In 2004 Bush's son awarded Bradbury the National Medal of Arts at a White House ceremony.

Much of "Remembrance" reveals the grind of authorship. Bradbury aimed "to turn out at least a thousand words a day," he wrote in 1941. His most frequent correspondent in this volume is Don Congdon, his longtime agent—a reminder that, for all of Bradbury's artistry, he was a commercial writer in search of his next sale or a blurb for his next book. The work never ceased: "It is the time *away* from the typewriter that counts most; idle thoughts at idle hours."

His most frequent correspondent was his literary agent—a reminder that, for all Bradbury's artistry, he was a commercial writer.

The letters brim with writing advice. Bradbury recommends reducing stories "down to a sharp cutting, wonderful edge." This honing, he argues, "is one of the great arts of writing." Several letters, spanning decades, express faith in the mysterious fruits of subconscious thought: "It hasn't failed me yet. It's like feeding information into one of these new-fangled calculators, then going to bed; in the morning, there, on a crisp new white sheet of paper, is the answer."

Bradbury was a happy man who loved his wife, took joy in his four daughters and felt grateful for his success: "I am one of God's lucky children." He reflected on his good fortune to Russell Kirk in 1967: "The thing that drives me most often is an immense gratitude that I was given this one chance to live, to be alive the one time round in a miraculous experience that never ceases to be glorious and dismaying."

Yet he also needed to escape from what must have been a rambunctious family life: "I have taken refuge in the garage, where I do my writing now, oblivious to wails, screams and childish ululations." In 1954 he boasted of writing six short stories in 40 hours. Mr. Eller says in his helpful endnotes that this frenzy included "The Day It Rained Forever," regarded as one of Bradbury's best.

A native of Waukegan, Ill., Bradbury spent his entire adult life in Southern California, living to 91. As he gained prominence, Hollywood sought his services. He came up with the idea for the 1953 movie "It Came From Outer Space" and contributed to "The Twilight Zone." The letters show that Alfred Hitchcock asked Bradbury to turn "The Birds," a story by Daphne du Maurier, into a script. Bradbury was tempted but declined because he wanted to finish "Something Wicked This Way Comes," his 1962 novel of dark fantasy. That may have been a wise choice—"I love the book best of all the things I have ever written," he told Stephen King—but readers may wonder what might have been. As it happened, Evan Hunter wrote the script for Hitchcock's 1963 movie.

In a different notable pairing, the director John Huston hired Bradbury to adapt "Moby-Dick" for what became a 1956 film. The moviemaker proved to be a hard boss, full of wild demands and harsh judgments. Even as Bradbury grumbled, his inner optimist found something to admire: "He helps you to see things anew, which is certainly the mark of an artist." The same can be said for Bradbury—and "Remembrance" presents his life and art in a new dimension.

Mr. Miller is director of the Dow Journalism Program at Hillsdale College and the author of "Reading Around: Journalism on Authors, Artists, and Ideas."

OPINION

REVIEW & OUTLOOK

Wisconsin's Judicial Gerrymander Coup

Progressive state judges are on a partisan political roll. Fresh off the 4-3 Colorado Supreme Court's banishment of Donald Trump from the ballot, a 4-3 majority on the Wisconsin Supreme Court on Friday overturned precedent and tossed the state's legislative maps.

Four progressive judges roll over precedent to toss legislative maps.

The four progressive justices ordered the maps redrawn because they violate the state constitution's requirement that legislative districts be contiguous. Yet the legislative "islands" they fret about contain so few voters that they have no discernible impact on elections. The justices used their existence as a legal excuse.

The decision invalidates district maps for all state representatives and senators. The court ordered lawmakers to draft new maps in time for the primaries in August 2024, a project they will have to complete by the spring. If the Republican Legislature and Democratic Gov. Tony Evers can't find a compromise, the court will do it for them.

If (when) they do so, Justice Jill Karofsky writes for the majority, the court will "consider partisan impact," not merely fixing the contiguity issue on which the case was decided. When the justices granted the case, they declined to hear the partisan gerrymandering claim "due to the need for extensive fact-finding." But now they threaten to do so having overturned the maps on other grounds.

Message to the GOP Legislature: Better concede to Gov. Evers's wishes, or the court will rewrite the maps as the four judges desire.

Justice Karofsky paints political intervention as a virtue, noting that unlike lawmakers "we do not have free license to enact maps that privilege one political party over another" and that the court's "political neutrality must be maintained" regardless of "whether a case involves an extreme partisan gerrymandering challenge."

If you believe that, you probably thought new Justice Janet Protasiewicz was kidding when she called the legislative maps "rigged" to win the judicial primary election this year. This entire exercise is an effort to blow up the current maps to help the Democratic minority.

All of this is extraordinary because the contiguity gaps have existed for 50 years in district maps drawn by both political parties. The Wisconsin Supreme Court upheld the constitutionality of the maps as recently as 2022 in *Johnson v. Wisconsin Elections Commission.* Three members of the new progressive majority adopted maps containing districts with detached territory in that very case.

"The matter of legislative redistricting was thoroughly litigated and resolved after the 2020 census," Justice Brian Hagedorn writes in dissent. The court adopted new maps and ordered their use until the political branches drew new ones, a practice commonly done following a census.

Justice Rebecca Bradley was more scathing in her dissent: "With its first opinion as an openly progressive faction, the members of the majority shed their robes, usurp the prerogatives of the legislature, and deliver the spoils to their preferred political party. These handmaidens of the Democratic Party trample the rule of law, dishonor the institution of the judiciary, and undermine democracy."

The ruling means that a single judicial election result has become a license for the narrowest court majority to overrule the court's own recent precedent and the will of the voters in years of legislative elections.

There's no doubt the GOP Legislature tilted the state maps in the party's favor, as legislatures in Illinois, New York and other states have done. But that tilt in Wisconsin was moderated after the recent post-2020 census legal challenges. It will be difficult for the court to draw new maps without gerrymander distortions that favor Democrats given that the party's voters are concentrated in and around Madison and Milwaukee.

* * *

None of this is a political accident. The project to take over state supreme courts is a national progressive priority led by Eric Holder, Barack Obama's Attorney General. Billionaire donors and labor unions poured tens of millions of dollars into the Protasiewicz race, while Republicans were caught flat-footed and playing defense on abortion.

Wisconsin in the 2010s was a leader in conservative reform on school choice, public-union monopolies, and more. Democrats aim to erase it all using the state Supreme Court as their hammer. Four judges are now the Badger State's de jure Legislature.

Alexei Navalny Lives

Some residual good news for courage in 2023: Alexei Navalny is alive and has been located in a distant prison colony. His team says the leading opponent of Vladimir Putin's despotism was moved without announcement to a prison called the Polar Wolf in the remote Arctic region of Yamalo-Nenets. This a frozen, isolated area known for some of the most brutal conditions in the Putin-era gulag.

Putin's leading opponent is located in a remote Arctic prison.

The context for his isolation is the Russian presidential election scheduled for March 17. There's no chance Mr. Putin will lose in the rigged political system. But before Mr. Navalny disappeared, he and his team launched a campaign to expose that Mr. Putin is far less popular than the Kremlin claims.

In the runup to the elections "people are very sensitive to political information," so there's an opportunity "to talk to people" and "spread information about [Mr. Putin's] crimes," Kira Yarmysh, Mr. Navalny's spokesperson, told us recently. "The idea is that many Russians are dissatisfied with what is going on, and it's very important that they see they are not alone."

Mr. Navalny's chief of staff, Leonid Volkov, urged supporters of the campaign to "agitate ten people" each. The Anti-Corruption Foundation founded by Mr. Navalny has paid for billboards in several Russian cities with the words "Russia, Happy New Year"—and a QR code leading to an anti-Putin website.

One of the campaign's arguments is that Mr. Putin's war in Ukraine has been a disaster for Russians. "Mobilization [has] taken the lives of our men," but "Putin and his assistants are indifferent to our fate and how many people die," one digital pamphlet argues. "Our children, grandchildren, brothers and husbands can be taken to the front at any time. Do you want your loved ones to die for Putin and his wealth?"

Russia has lost about 87% of its prewar force in Ukraine, with some 315,000 soldiers killed or injured, according to a declassified U.S. intelligence assessment. Even verbal opposition to the war is considered a crime, so Mr. Navalny's campaign is a rare opportunity for Russians to express their frustration.

Mr. Navalny barely survived poisoning with the Soviet-era nerve agent Novichok in 2020. He is a hero of Russian liberty, and he deserves the world's attention.

Charter Schools Gain, Union Schools Lose

This has been the year for school choice—from vouchers, to homeschooling, to pod schools with parents who use education savings accounts. The winners include charter schools, as union-run K-12 schools lost hundreds of thousands of students during Covid-19 who haven't returned.

Enrollment is up 9% in four years, as Hispanics in particular sign up.

Charter enrollment is up 9% since 2019, while the number of students in district schools is down 3.5%, according to a new study from the National Alliance for Public Charter Schools. "Families have discovered choice," the report says, "and they like it."

Yes they do. The trend holds for states of all sizes and political persuasions. From 2019-2023, charter enrollment grew in 40 of the 42 states analyzed, while traditional schools lost students in 40 states. Charter attendees surged nearly 20% in Texas (67,148 students), 19% in North Carolina (22,308), and 10% in Pennsylvania (15,353). District enrollment fell 0.83% in Texas and nearly 3% in North Carolina and Pennsylvania.

Part of the story is that states are working to improve charter offerings. The report says Indiana raised its per-student charter grant to $1,400 from $1,250, while allocating $25 million to a capital fund to help schools with facility costs. Enrollment in Indiana charters is up 9% over four years, versus down 2% for traditional schools. Legislative changes in New Mexico and Idaho come in for kudos as well.

The report flags evidence in New Jersey that growing demand for charters might be eroding political resistance to school choice in a state where public unions have traditionally all but run the government in Trenton.

"In 2022, a number of high-performing public charter schools were denied the opportunity to expand," it says. But after parents and students raised a ruckus, the state in 2023 "approved 100% of high-quality public charter school expansion requests," adding 2,300 new seats.

Researchers also examined data by race in 26 states. "Hispanic students make up the fastest-growing community in charter schools," the report says, up almost 14% in those states, or 150,134 students. Black charter enrollment increased 6.3%, or 40,658 students. Opponents of school choice, who want to deny options to people who can't afford private tuition, should look these families in the eyes.

These improvements remain too much at the margin, and unions still dominate K-12 school governance in most places. Charters face relentless hostility from school boards and politicians who deny equal funding or co-location in buildings where public schools are losing students and there is room.

But as choice options expand, and students in most charters outperform those in nearby public schools, parents like having the ability to escape schools where failure reigns. Elected officials ignore the new political dynamics at their peril.

LETTERS TO THE EDITOR

Debating Whether the Woke Will Wake Up

Much of what Michael Segal writes in "The Young Woke Will Outgrow It" (op-ed, Dec. 19) is correct: The long-overdue exposure of campus radicalism is a vital step in confronting it. But I believe his prediction that woke students will simply grow up and learn the error of their ways is wishful thinking.

The racialist ethos of diversity, equity and inclusion has already established a strong foothold in U.S. institutions and industries, from academia and sports to media and corporate HR. Young and midlevel employees have been able to hold workplaces hostage and successfully infuse them with mandatory DEI practices. We've only seen corporations push back after significant public backlash jolts them to return to the realm of sanity.

Eitan Fischberger
Modi'in, Israel

Dr. Segal is optimistic that the "young woke" will "grow up." Perhaps so. In the late 1950s, we army lieutenants assigned in West Berlin served as escorts on military buses taking military personnel and dependents on tours of East Berlin. The Garden of Remembrance, a large, impressive memorial to Soviet soldiers killed in the Battle of Berlin, was a highlight of the tours. Monuments included 16 large sarcophagi with Stalin's sayings engraved along their sides.

I was dismayed to see school students touring the memorial with teachers enthusiastically praising the monuments, Stalin's sayings, the Soviet Union and communism. Surely, I thought, those poor children will be so indoctrinated that they will never know anything but communism; they will live their lives as robotic cogs in an atheistic regime.

Years later, those poor students tore down the Berlin Wall.

Col. W.G. Peters, USA (Ret.)
Sun Lakes, Ariz.

A recent "real world" experience leads me to fear that Dr. Segal is overly optimistic. I belong to a history-oriented organization where the average age of the membership is 75. We invited young people to attend our recent annual gathering, and to be welcoming, two gentlemen said to two of the young women invitees, "We are happy to have young people with us, especially young people as pretty as you."

The young women interpreted this as harassment and said, to a lawyer retained to investigate this and other similarly misconstrued comments, that they felt "cornered." In the absence of campus-provided trigger warnings, safe spaces and delineation of what constitutes microaggressions, they had a real-word failure to know—and accept graciously—a compliment when it was offered to them.

Philippa Newfield
San Francisco

In his younger years, my "woke" son experimented with socialism, Buddhism and some mildly illicit substances. The socialism was gone when he saw the taxes on his first real paycheck. A fiancée brought up Greek Orthodox cured him of theoretical spiritualism. The only substance he is dependent on at 28 is black coffee when feeding his "woke" baby boy at 3 a.m. Leaving the Neverland of academia and its Peter Pan dons indeed helps to outgrow wokeism, as Dr. Segal suggests.

Maciek Dlugosz
Glenshaw, Pa.

The Insurrection Clause Is Self-Executing

In "Trump vs. the Banana Republic of Colorado" (op-ed, Dec. 21), Karl Rove uses the example of Lucius Q.C. Lamar, a man presumably disqualified from holding office by the 14th Amendment due to his service in the Confederacy. Mr. Rove points out, however, that Lamar was able to serve across the three branches of government, including on the Supreme Court, despite the 14th Amendment bar. If that were all there is to Justice Lamar's story, it would be a persuasive point. But Mr. Rove left out important parts of the story.

The 14th Amendment bars from public office those who engage in insurrection or rebellion, but it also says Congress can "remove such disability." In 1872 Congress passed the Amnesty Act, and did just that for most Southerners. There was an important exception, however. Members of the House or Senate in the years leading up to the war weren't included in the amnesty.

Lamar recognized that this meant he was still disabled from public service by the Constitution. He was able to return to public life only because, in December 1872, the House and Senate approved his petition to sit in the House. Contrary to Mr. Rove's assertion, Lamar's case demonstrates that the 14th Amendment bar against insurrectionists is self-executing and may be removed only by Congress. Justice Lamar knew that.

Ben Johnson
Gainesville, Fla.

Trump's Actions Prove Commitment to NATO

As U.S. Ambassador to Austria from 2018-21, I can confirm that President Trump was committed to the North Atlantic Treaty Organization and would be again ("NATO and Donald Trump," Review & Outlook, Dec. 19). I found that people tend to focus only on what Mr. Trump says rather than what he does. He questioned the alliance publicly and badgered fellow leaders, but it was part of a calculated (and successful) strategy to get them to contribute more to defense.

Look at Mr. Trump's goals in Europe—strengthening NATO, reducing tariffs, energy independence, halting Nord Stream 2, renegotiating the intermediate-range nuclear treaty with Russia, withdrawing from the Iran deal and repositioning troops to Romania and Poland. They were all correct and all undone immediately by the Biden administration.

Regarding commitment to NATO, don't forget that Afghanistan was a NATO action. President Biden failed to alert our allies before pulling out, then flatly rejected their request for additional time so that they could safely extract their personnel. The words may be nicer now, but we need to focus on the actions.

Trevor Traina
San Francisco

What Information About Trump Do Voters Deserve?

The wiser course advised in "Jack Smith and the Supreme Court" (Review & Outlook, Dec. 16) would be to "let the voters decide" after considering "the facts of what the special counsel found." But the question arises as to what information the voters should have when they make their fateful decision—the singular perspective of the special counsel or the facts as presented and adjudicated in a court of law, and upon which any subsequent determination of innocence or guilt will be based?

Robert Burack
Ann Arbor, Mich.

When Do We Drop 'Elite'?

I'm in agreement with Peggy Noonan ("What Universities Have Done to Themselves," Declarations, Dec. 16) that many of the people who run universities are now killing their own status. She still identifies their schools as "elite" and "top," while other columnists add "our best" and "prized" to the list of adjectives. At what point do these misguided schools become something less than elite, top, best and prized?

R. Warren Riggs
Cordova, Tenn.

There Was a Price to Pay

In "How Jews Escaped Their Dismal Fate" (op-ed, Dec. 18), Alan Futerman and Walter Block argue that Jews were persecuted for two millennia with no repercussions to the oppressors—until the State of Israel was created. But God says, "And I will bless those who bless you, And the one who curses you I will curse." What happened to all the nations that persecuted the Jews? The ancient ones no longer exist, and the modern ones are shells of their former selves.

Steven Martin
Rockwall, Texas

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Pepper ... And Salt

THE WALL STREET JOURNAL

OPINION

The Fed Won't Try to Boost Biden

By Mickey D. Levy

As the 2024 presidential race unfolds, economic and political commentators are doing what they always do: speculating about whether the Federal Reserve will adjust monetary policy to influence the election outcome. There is ample evidence that presidents and administration officials try to influence the Fed, but only once has the central bank clearly modified policy to help a candidate in an election year.

In 1972 Fed Chairman Arthur Burns purposely kept rates low to help re-elect President Richard Nixon. In all other presidential election years, the Fed has raised and lowered interest rates in the same manner during presidential election years and off-election years. We should be grateful for that independence.

My hunch is the Fed will purposely play it straight in 2024 by continuing to pursue policies that will achieve its objectives of 2% inflation and maximum employment. The Fed's credibility is at stake following its major policy blunders and the painful surge in inflation over the past two years.

The central bank has only once changed its policy to help elect a presidential candidate: Nixon in 1972.

In the 16 presidential election years since 1960, the Fed has raised rates seven times (measured from the prior December through the November elections), lowered them seven times, and left them unchanged twice (2012 and 2016). There is no discernible pattern between election winners and the Fed's rate moves. The Fed has been evenhanded, regardless of the political affiliation of the Fed chairman or whether Republicans and Democrats were in the White House.

ASSOCIATED PRESS

Nixon in 1968 with economic advisers including Burns (second from right).

The biggest presidential-year rate increases occurred in 1980, when Chairman Paul Volcker hiked rates aggressively to combat double-digit inflation. Republican challenger Ronald Reagan, who emphasized the "misery index" of sky-high inflation plus unemployment, defeated President Jimmy Carter. The biggest election-year rate cut occurred in 2008, when Democratic nominee Barack Obama won amid a severe financial crisis and recession. Occasionally the Fed has reversed course during the election year. In 1984 it raised rates in the first half of the year in response to robust growth and surging commodity prices and began lowering them just before the election as the economy cooled.

Since the Full Employment Act of 1978 established the Fed's dual mandate of low inflation and maximum employment, the Fed has been publishing its forecasts of inflation and unemployment rates, including the central tendencies of Federal Open Market Committee member forecasts. These projections are now published quarterly and since 2012 have included FOMC member estimates of the appropriate Fed funds rate (the so-called dots), providing forward guidance on future policy.

The Fed has relied on discretionary policy adjustments in response to current conditions rather than a systematic approach to achieve its objectives. Historically, there has been a clear pattern of the Fed's changing rates when actual economic and inflation conditions deviate from its central tendency forecasts. When growth surprises and the unemployment rate falls below the Fed's forecasts, the Fed tends to raise rates. It lowers rates when the unemployment rate rises above its forecasts and inflation falls below them. Not surprisingly, the Fed's data-dependent behavior has been more responsive to increases in the unemployment rate than to upside surprises in inflation.

This trend has held during presidential election years apart from 1972, the poster boy for bad Fed behavior. In August 1971, Nixon imposed wage and price controls, a misguided policy to constrain inflation. Congress enacted an aggressive fiscal stimulus package while the Burns-led Fed provided accommodative monetary policy by only tepidly raising rates before the election, allowing a rapid acceleration of the money supply. This generated an economic boom, with 6.9% real growth in gross domestic product and a 4.3% rise in employment from the fourth quarter of 1971 to the fourth quarter of 1972. Following Nixon's re-election in November, the Fed raised rates from 5% to 10.5% as inflation soared.

What's in store for Fed policy in 2024? Inflation has receded faster and the unemployment rate has stayed lower than the Fed predicted, and it has adjusted its quarterly projections. Meanwhile, inflation has dented consumer buying power and pushed up borrowing costs. Having stumbled with its discretionary policy approach, the Fed should consider adopting more systematic policy guidelines. The Taylor Rule, which measures how the Fed should adjust rates when inflation is above or below its 2% inflation target and real growth is above or below its potential, has been useful for estimating appropriate policy.

Based on the current 3.5% core PCE inflation and assuming a natural real interest rate of 1%, the Taylor Rule suggests that the current 5.5% fed-funds rate is appropriate. If core inflation were to fall to 3% by mid-2024, as the Fed projects, a 4.5% rate would be appropriate. If it doesn't fall, keeping rates high would be appropriate. Following systematic guidelines for raising and lowering rates would be wise policy, improve the Fed's transparency and keep it independent of political pressure.

Mr. Levy is a visiting scholar at the Hoover Institution and a member of the Shadow Open Market Committee.

America Feels Like a Codependent Household

By Lance Morrow

America feels like an alcoholic household—crazy with grievance, accusation, irrational rage, screaming in the middle of the night. The children lie in the dark, wide-eyed, listening. In the morning, the family comes downstairs trying to pretend that everything is normal. There's a lot of pretending: The southern border isn't wide open; unpunished crime is social justice; the president of Harvard deserves her job.

Things aren't normal. Everyone knows it. The country doesn't quite recognize itself. America has gone astray in a strange new landscape. It's a different America all right.

In an alcoholic household, the one you thought you could trust becomes a stranger—suddenly dangerous. Trust is the first casualty. A baffled country can neither grasp nor admit what it has become.

The left denounces the evil of what it claims the country has always been: racist, oppressive, toxically male, transphobic. The right rages against the evil of what the country has become: perverse, perverted, Marxist, sniveling, woke. Each side does its part to make the country infinitely worse than it needs to be.

What's going on? For one thing, Americans have grown addicted to their loathings. There's a touch of sadomasochism in all this. Hate can be oddly stimulating for the hater and the hated. The bystander, too. Politics and culture wars are almost as satisfying as shooting wars. Human nature craves a certain amount of mayhem and carnage.

On the other hand, the Joe Biden vs. Donald Trump rematch seems especially stupid. It's the wrong war in the wrong place at the wrong time. Politics doesn't have to be this dumb. At the end of 2023, the country bounces along like Custer on the way to the Little Big Horn: So far, so good. The regimental band plays "Garryowen."

Republicans persist in the charade of their debates, though Mr. Trump doesn't show up. Why should he? Instead he itinerates from one MAGA rally to another, his rhetoric growing more baroque and feral. His enemies are "vermin," he says, using Joseph Goebbels's term for Jews. He promises, if elected, to unleash on his enemies—meaning about half the country—the shock and awe of his wrath.

The Democrats, increasingly divided, sleepwalk toward their own disaster. They pretend, but don't believe, that their 81-year-old president and his vice president—a pressing existential problem in her own right—have performed so brilliantly during their first engagement that they should be booked for another four years.

This isn't quite American democracy but the 21st century's travesty of it. All three branches of the federal government have one way or another become disreputable. The president's approval rating is down in the 30s. Congress is almost picturesque in its dysfunction. More than three dozen members of the House have decided not to run for re-election. Not worth it. Less than half of Americans, polls say, trust the Supreme Court.

Is such incoherence inevitable? Is it a byproduct of the immense changes that have swept away the previous America? We live in the aftermath of the old country, wondering what happened to it and waiting nervously for the new America to emerge. With luck, such moments call forth great leaders—Abraham Lincoln, Franklin D. Roosevelt. Is some such figure waiting in the wings? Maybe a country is entitled to only so much luck. A period of great change also brings out charlatans and warlords and false messiahs. Politics becomes a little medieval.

The secret of leadership—and of demagoguery—is to draw the public imagination into its projections. In the 21st century's universe of screens, the effect is hypertrophied: Fantasy replaces reality. Technology empowers hallucination. It turns politics into a Marx Brothers nightmare: clowns tossing sticks of dynamite around. Mr. Trump is good at this. He is Dr. Seuss's Cat in the Hat. The surreal novelty of the moment calls forth a tumble of images—like a rapid scroll down TikTok.

It's no way to run a republic for grown-ups. In innocent, primitive days of yore, the political circus was entertaining. Maybe that's what got us into trouble. Lately, the audience has lost the faculty of laughter.

Things aren't normal. We don't trust one another, and the country doesn't quite recognize itself.

The deepest fear is that the show has barely started. Wait until artificial intelligence has its bar mitzvah in a year or two. "Today I am a man," it will say before really going to work upon the ignorant world. It will be as if the evolution of *Homo sapiens* had done an about-face, yielding to the gleaming new species that is being conjured up out of the rare earths. It will be as if human beings, having already reverted, in politics, to the great-ape stage, were destined to retreat still farther, dissolving at last into an ocean of primordial brainlessness.

Are things that bad? Drunks can get sober. Countries can change. But not without brains and faith, not without abandoning the compulsion to lie and the weird self-righteousness that addiction begets. The failures have been complex—spiritual, social and otherwise. Maybe nothing can be done.

Are we talking about America as a dysfunctional household? Or as a lost civilization? Both. The former, if it can't change, becomes the latter.

Mr. Morrow is a senior fellow at the Ethics and Public Policy Center and author of "The Noise of Typewriters: Remembering Journalism."

Gerard Baker is away.

Capture Flaco the Owl

By Mark Naida

If you lived near New York's Central Park in 2021, you knew about Barry the barred owl. A crowd would gather wherever she was, often in her favorite tree by the Central Park Boathouse. She hooted for her admirers. A Twitter account regularly reported Barry sightings until she was killed in a collision with a Central Park Conservancy vehicle. A necropsy found a near-lethal amount of rat poison in her body, which might have impeded her ability to fly, leading to her death.

She was the latest of the famous New York City birds: the mandarin duck that graced Central Park's ponds in 2018; Rocky, a northern saw-whet owl brought to the city inside the Rockefeller Center Christmas tree in 2020; and the snowy owl that took up residence briefly in January 2021, the first sighting of the species in the city since 1890.

But there's a new bird in town. This one was held captive at the Central Park Zoo but escaped and became a celebrity. Flaco flew the coop on Feb. 2 after someone cut a hole in his enclosure. Zoo staffers initially tried to recapture him with traps, but he didn't take the bait, and they gave up after a couple of weeks. Despite 12 years in captivity, he quickly learned to hunt and has seemed thus far to thrive amid the skyscrapers and concrete of Manhattan.

He's a big bird with a habit of peering into apartment windows, shocking the inhabitants with his large, inquisitive eyes. Eurasian eagle-owls are the second-largest owl species, with a wingspan of more than 6 feet, and can live up to 60 years in captivity. The zoo has confirmed by examining his droppings that he has taken to eating rats, which, apart from trash and pigeons, are the only guaranteed sustenance the city can offer such a predator. One New York bird watcher claimed to have seen him eat four rats in a single night.

Though it's titillating for New Yorkers to live alongside a bird so much more majestic than a pigeon, there are only two ways Flaco's story ends: He leaves or he dies. It isn't likely that he will retire upstate or soar down the New Jersey coast, given that he left Central Park for the first time last month, flying 5 miles south to the East Village before returning to the park.

And if he stays there, the poison in the rats he eats will build up in his system, causing his eventual death—though any number of things could get him first. There is a reason he is likely the only member of his species living in the wild in North America.

Barry was loose for 10 months in Manhattan, and Flaco has lasted as long. The Central Park Zoo described the act of vandalism that led to his escape as "a deliberate criminal act which jeopardizes the safety of the bird." But the zoo's staff are continuing to risk his life by letting him live free in Manhattan. If they care about the longevity of the animal that escaped on their watch, they should capture him before the city that is celebrating him kills him.

Mr. Naida is an assistant editorial features editor at the Journal.

Israel's Three Prerequisites For Peace

By Benjamin Netanyahu

Hamas must be destroyed, Gaza must be demilitarized, and Palestinian society must be deradicalized. These are the three prerequisites for peace between Israel and its Palestinian neighbors in Gaza.

First, Hamas, a key Iranian proxy, must be destroyed. The U.S., U.K., France, Germany and many other countries support Israel's intention to demolish the terror group. To achieve that goal, its military capabilities must be dismantled and its political rule over Gaza must end. Hamas's leaders have vowed to repeat the Oct. 7 massacre "again and again." That is why their destruction is the only proportional response to prevent the repeat of such horrific atrocities. Anything less guarantees more war and more bloodshed.

We must destroy Hamas, demilitarize Gaza, and deradicalize the whole of Palestinian society.

In destroying Hamas, Israel will continue to act in full compliance with international law. This is especially challenging because an integral part of Hamas's strategy is to use Palestinian civilians as human shields. Hamas places its terrorist infrastructure inside and underneath homes, hospitals, mosques, schools and other civilian sites, deliberately putting the Palestinian population at risk.

Israel does its best to minimize civilian casualties by dropping leaflets, sending text messages and using other means to warn Gazans to get out of harm's way. Hamas by contrast does its utmost to keep Palestinians in harm's way—often at gunpoint.

Unjustly blaming Israel for these casualties will only encourage Hamas and other terror organizations around the world to use human shields. To render this cruel and cynical strategy ineffective, the international community must place the blame for these casualties squarely on Hamas. It must recognize that Israel is fighting the bigger battle of the civilized world against barbarism.

Second, Gaza must be demilitarized. Israel must ensure that the territory is never again used as a base to attack it. Among other things, this will require establishing a temporary security zone on the perimeter of Gaza and an inspection mechanism on the border between Gaza and Egypt that meets Israel's security needs and prevents smuggling of weapons into the territory.

The expectation that the Palestinian Authority will demilitarize Gaza is a pipe dream. It currently funds and glorifies terrorism in Judea and Samaria and educates Palestinian children to seek the destruction of Israel. Not surprisingly it has shown neither the capability nor the will to demilitarize Gaza. It failed to do so before Hamas booted it out of the territory in 2007, and it has failed to do so in the territories under its control today. For the foreseeable future Israel will have to retain overriding security responsibility over Gaza.

Third, Gaza will have to be deradicalized. Schools must teach children to cherish life rather than death, and imams must cease to preach for the murder of Jews. Palestinian civil society needs to be transformed so that its people support fighting terrorism rather than funding it.

That will likely require courageous and moral leadership. Palestinian Authority leader Mahmoud Abbas can't even bring himself to condemn the Oct. 7 atrocities. Several of his ministers deny that the murders and rapes happened or accuse Israel of perpetrating these horrific crimes against its own people. Another threatened that a similar attack would be carried out in Judea and Samaria.

Successful deradicalization took place in Germany and Japan after the Allied victory in World War II. Today, both nations are great allies of the U.S. and promote peace, stability and prosperity in Europe and Asia.

More recently, since the 9/11 attacks, visionary Arab leaders in the Gulf have led efforts to deradicalize their societies and transform their countries. Israel has since forged the historic Abraham Accords and today enjoys peace agreements with six Arab states. Such a cultural transformation will be possible in Gaza only among Palestinians who don't seek the destruction of Israel.

Once Hamas is destroyed, Gaza is demilitarized and Palestinian society begins a deradicalization process, Gaza can be rebuilt and the prospects of a broader peace in the Middle East will become a reality.

Mr. Netanyahu is Israel's prime minister.

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Navalny Found in Remote Arctic Prison

Jailed Putin foe's team hadn't been able to locate him for over two weeks

By Georgi Kantchev

Jailed Russian opposition figure Alexei Navalny, who had been unreachable for more than two weeks, has been moved to a remote penal colony in the country's far north, making it far harder for him to organize any meaningful resistance to Vladimir Putin's plan to remain in power in next year's presidential election.

Navalny had missed a series of court dates in recent weeks and his team hadn't been able to locate him at various penal institutions across the country. His disappearance stirred concern for his well-being among supporters in Russia, as well as in European capitals and in Washington. But on Monday, his team said he has been transferred to a prison colony known as "the Polar Wolf," in the remote Arctic region of Yamalo-Nenets, a bitingly cold, highly isolated and difficult area to reach. They said that sending letters there was nearly impossible.

"Alexey is alive, he's fine," Leonid Volkov, an aide to Navalny, wrote on X, formerly known as Twitter. "That's where the good news ends. This is the highest possible level of isolation from the world."

The episode highlights the Kremlin's desire to display its grip over the Russian opposition and control the narrative surrounding Navalny, suppressing his political influence. His allies have said that the Kremlin is concerned about his potential to mobilize further opposition ahead of the March presidential election.

A fierce anticorruption campaigner who galvanized Russia's political opposition, Navalny has been serving sentences in a penal colony amounting to more than 30 years on various charges. He has been incarcerated since January 2021, when he returned to Moscow from Germany, where he was recuperating after falling ill during an internal flight in Russia. German doctors concluded he had been poisoned with the Soviet-era nerve agent, Novichok. Navalny has blamed the poisoning on the Kremlin. The Kremlin has denied involvement in any attempt to harm him.

EVGENIA NOVOZHENINA/REUTERS

Russian opposition leader Alexei Navalny seen on a screen via a video link during a court hearing last year.

Navalny's social-media following is in the millions. This month, the number of subscribers to his YouTube channel was more than six million, with over 1.4 billion views, dwarfing the reach of any other Russian opposition figure. Mass demonstrations broke out when he was arrested on his return from Germany, leading political analysts to suggest that the Kremlin was growing increasingly concerned that Navalny would succeed in exploiting discontent over corruption and declining living standards to pose a lasting challenge to Putin.

In prison, Navalny has continued criticizing and ridiculing the Russian president during court hearings and appeals, using his legal representation to post messages on social media accusing Putin and his inner circle of corruption and calling on ordinary Russians to rise up against his rule.

In doing so, Navalny chipped away at the Kremlin's narrative that the population was united in support of Putin, and his war on Ukraine.

His disappearance this month came as Putin confirmed he would run in a presidential election on March 17, which he is expected to win easily and extend his hold on the country for at least another six years. Navalny responded to the confirmation of the election date by announcing the launch of a website called "Russia Without Putin," which encourages citizens to distribute opposition materials and to each persuade 10 others to vote against the Russian leader.

The Kremlin has stepped up its campaign to root out criticism of the Russian government and its handling of the war in Ukraine.

"Alexei's situation is a clear example of how the system treats political prisoners, trying to isolate and suppress them," Ivan Zhdanov, the head of Navalny's anticorruption foundation, wrote on X.

In the weeks leading to his disappearance, Navalny had become ill and was put on an IV by prison staff. Navalny has been complaining of poor treatment since his incarceration and has been on hunger strikes.

The Kremlin denied knowing anything about Navalny's whereabouts during the time he was missing.

At Christmas, Ukrainians Try to Keep Spirits Up

By Ian Lovett

ZAPORIZHZHIA, Ukraine—Since her first child was born, Svitlana has spent every Christmas with her daughter—until this one. Now a soldier, Svitlana, who declined to give her surname, is spending the holiday on duty close to the front lines in southern Ukraine.

"It's hard when you're constantly with your kid for nine years and now you have to be separated," said Svitlana, 35 years old, who joined the army over the summer and works to keep troops in the trenches supplied. "I try to keep those difficult emotions inside," she said.

For Ukrainian soldiers and civilians alike, the second Christmas of full-scale war is more difficult than the first.

Earlier this year, Ukrainians were hopeful the war would be over by now. They had routed Russian forces in the northeast and the south last fall, reclaiming thousands of square miles of territory, and believed an influx of Western tanks and other weapons could help them finish the job.

Instead, Ukraine's counteroffensive advanced barely 10 miles. Western aid has slowed to a trickle and Kyiv's troops are now digging defensive positions, bracing for another Russian assault.

"It seems like it won't be over in the near future," said Viktoria Tkachenko, 50, following a Christmas Eve church service in Zaporizhzhia. "We don't really have a Christmas mood, compared to last year. We feel tired."

During nearly two years of war, almost all of the country's Christmas rituals have been upended.

In an effort to separate themselves from Moscow, both Ukraine's government and the Orthodox Church of Ukraine—the country's largest denomination—have moved Christmas celebrations to Dec. 25, as in the West, ending a tradition of celebrating the holiday in January.

Millions of Ukrainians, mostly women and children, have fled the country since the invasion in February 2022. Hundreds of thousands of troops will spend the holidays at their posts.

Alla Khilay's husband and older son are both fighting in Ukraine's east, while her younger son is now living in the Czech Republic. She sent care packages to them, with nuts and sweets, but won't be able to see any of them over the holidays, adding that she is spending it with several friends in Zaporizhzhia instead.

"They try to call me every day, but they don't always have signal," Khilay, 47, said. Air-raid sirens screeched as she spoke—they are so common that most residents now ignore them.

In his nightly address on Sunday, Ukrainian President Volodymyr Zelensky acknowledged the challenges his country is facing.

"How our wishes have changed. How children's wishes have changed," he said. "From the simple and usual 'I wish for dad to come home early from work' to 'I wish for dad to come back.' "

Some troops have tried to bring the Christmas spirit to the front.

Ukrainian officials are circulating video of soldiers singing Christmas songs from trenches near Bakhmut, a city in the country's east that was almost completely flattened during Russia's assault last winter. Videos also circulated on social media Sunday showing Ukrainian troops firing rockets from a Himars launcher decked out in Christmas lights.

A soldier stands guard next to a decorated Christmas tree on a road to Bakhmut. Below, a father and daughter near Kyiv.

LIBKOS/GETTY IMAGES; SERGEY DOLZHENKO/EPA/SHUTTERSTOCK

At the house where Svitlana is billeted in the southern Zaporizhzhia region, she and her fellow soldiers have put up a small artificial Christmas tree, decorated with blue and yellow ornaments.

Rifles and body armor hang from nails over the door frame. The walls are covered with a silvery material that resembles tinsel, though it is actually makeshift insulation to keep the Ukrainian winter out. Scented candles and chocolate sat on the table.

Two of the soldiers work as cooks, and the group was trying to assemble ingredients for traditional holiday dishes, like caviar with black bread. A small pig is kept in a pen around the corner, which a number of the troops in the area are considering cooking for Christmas dinner, though they said they may save it for New Year—traditionally a larger celebration in Ukraine.

"The idea is to have dinner just with the four of us," Svitlana said. "We don't have the opportunity to celebrate with our families. So we're gathering in a small circle with the people closest to us."

The four soldiers in the house have bought small presents for each other as well, like mugs with their battalion's logo on them.

Another soldier in the house, Vadim, who asked that his surname not be used, has been dating Svitlana for several months. The 35-year-old said he was looking for a special present for her, though his options were limited by circumstance.

The commander of a unit that repairs military vehicles, Vadim said he hadn't seen his 4-year-old son since May 2022, when his ex-wife moved with the boy to Germany. "Of course on Christmas, I'll call him," he said.

Svitlana said she sent money to her mother to buy a smartwatch for her daughter. She plans to call them on Christmas so she can see her daughter's reaction when she opens her presents.

"Of course my daughter is a little sad, but she understands," Svitlana said. "She's very proud. She tells her classmates her mother is defending Ukraine."

—Nikita Nikolaienko contributed to this article.

U.S., Asian Allies Quicken Response to North Korean Missiles

By Dasl Yoon

SEOUL—In October 2021, South Korea said it had detected a ballistic missile fired from a North Korean submarine. Japan initially said it was two missiles.

The U.S. and its Asian allies have collected information on North Korean weapons tests for years, but the data has still offered only a sometimes imperfect picture of what has been happening in real time. In the 2021 test, it turned out to be just one missile—Japan later corrected its initial statement.

Now the U.S., South Korea and Japan are trying to close the information gaps. Last week the three countries began sharing the missile-tracking data they gather in real time. Previously, Japan and South Korea shared their missile data with the U.S., but only partial data with each other.

The new arrangement capped a year in which South Korea and Japan made major strides toward improving their historically tense relations. Their leaders held their first in-person summit in over a decade in March, and in August met with President Biden at a summit at Camp David.

The data sharing could help the U.S. and its allies respond more quickly to a North Korean missile launch by giving them a more comprehensive picture in real time. That could potentially buy minutes to analyze the data and improve the chances of intercepting a missile in the case of an attack, said Tianran Xu, an analyst for the Open Nuclear Network, a research group based in Vienna.

"In wartime, every second counts," Xu said.

The information sharing is also intended to be a deterrent to Pyongyang, which denounced the plan as an "extremely dangerous military act" laying the groundwork for an invasion of North Korea.

Sharing data could improve the chances of intercepting a missile.

The closer cooperation between the U.S. and its allies is also aimed at pressuring China, which has accused the U.S., South Korea and Japan of stoking tensions in the region. In August, following the three-way summit, Chinese Foreign Ministry spokesman Wang Wenbin said "attempts to form various exclusive groups and cliques and to bring bloc confrontation into the Asia-Pacific region" would backfire.

A U.S. missile-defense system in South Korea has angered Beijing. The Terminal High-Altitude Area Defense is designed to shoot down North Korean missiles, but its radar is capable of reaching into China.

"The radars may not be pointed in China's direction now, but the trilateral coordination itself has a deterrent effect," said Bang Jong-kwan, a former South Korean army major general.

The U.S., South Korea and Japan have satellites, land-based radar, naval vessels and reconnaissance aircraft that can detect and track North Korean missiles, each providing different pieces of the puzzle.

Within seconds of North Korea's firing a missile, U.S. satellites using infrared sensors detect heat from the missile's engine, and the information is automatically shared with allies. South Korea's land-based radars are better equipped to track the ascent of the missile, while Japanese destroyers equipped with radars in their U.S.-built Aegis Combat Systems can better track the descent into the waters between Korea and Japan, where the missiles usually fall.

When Japan and South Korea shared the data through the U.S. as an intermediary, there was a lag in analyzing the other side's data. Now the systems are linked to a common platform, and the information will be accessible by all three countries in real time.

"It is very significant because it takes just about 10 minutes for a missile from North Korea to reach Japan," said Narushige Michishita, a professor and regional security expert at the National Graduate Institute for Policy Studies in Tokyo.

In April, Japan issued a missile warning that triggered sirens and urged more than five million people on the island of Hokkaido to seek shelter. Officials switched off the alarm after gaining updated information about the North Korean missile's trajectory.

—Alastair Gale and Chieko Tsuneoka contributed to this article.

BUSINESS & FINANCE

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China Looks Cheap but Risk Lurks

The world's second-largest economy was a lousy place to put money in 2023

By Matthew Thomas

The smartest strategy for investors in Chinese assets this year: Do something else.

Sitting on cash was more profitable in 2023 than investing in Chinese shares, buying bonds sold by Chinese companies or betting on the performance of the yuan, the country's currency. In many cases, even throwing away 5% or 10% of your cash would have been less costly.

China's CSI 300 stock index is down about 14% this year, putting it on track for its third consecutive year of declines. Hong Kong's Hang Seng Index, which includes the shares of many Chinese companies, is on course for four years of losses.

The prolonged slump in Chinese assets is raising serious questions about the benefits of investing in the world's second-largest economy. The risks are relatively clear, most obviously the great-power rivalry with the U.S. and the chance of conflict in the Taiwan Strait. But what about the rewards?

Some Wall Street analysts say the rewards are coming, predicting cheap stock prices, improving earnings and government support in areas such as renewable energy will help drive China's stock market higher next year.

But even the bulls don't think a stock-market rally in 2024 will make up for the heavy losses of the past few years.

At the start of 2023, investors were even more optimistic. Portfolio managers bet that the end of China's draconian Covid-19 policies would lead to a rapid economic recovery. The hope was that consumers finally freed from lockdown would celebrate with a spending boom. They did, briefly—but since then the country has fallen into deflation and economic malaise.

"The biggest problem is that at the beginning of the year the China trade looked like a guaranteed winner. But anything that you tried to buy has been disappointing," said Ben Bennett, a senior investment strategist at Legal & General Investment Management.

"It wasn't just that China was the wrong theme. Everything in China fell. You were lucky to have not got sucked in and just been watching it."

China's weak performance this year looks even worse given bull markets elsewhere. U.S. stocks have been on a tear, with the tech-heavy Nasdaq Composite up 43% so far this year. Stock markets in India, Japan, Korea and Taiwan have all jumped. The Nasdaq Golden Dragon China Index, which tracks Chinese companies listed on U.S. exchanges, has fallen 8%.

Chinese bonds with an investment-grade rating have performed about as well as U.S. bonds this year, but neither market has looked all that compelling to investors who have been able to pick up 5% returns from U.S. money-market funds.

Junk bonds from China are doing a lot worse, losing around one-fifth of their value since the start of the year. Dozens of Chinese real-estate companies have defaulted on dollar bonds over the past two years, and bondholders hoping to reach deals with these companies in 2023 were largely disappointed.

There is no guarantee that an economic power will have booming stock and bond markets. Japan's stock market collapsed in the early 1990s—when the country was still considered the greatest threat to U.S. supremacy—and it spent decades in the doldrums. Its corporate and government bond markets have offered paltry returns for years.

Indeed, some analysts warn that China risks becoming the next Japan, pointing to its aging population and the chance of a balance-sheet recession,

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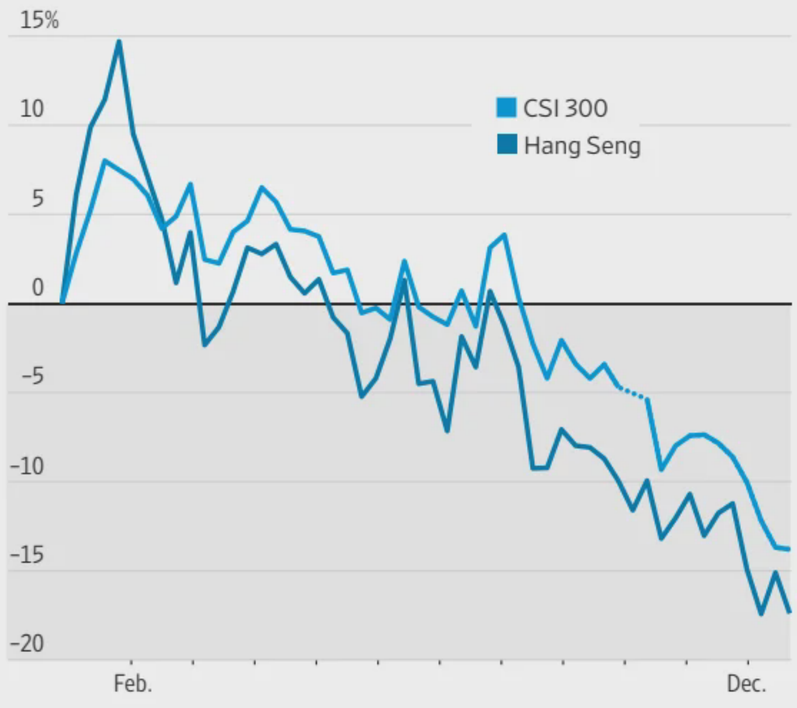
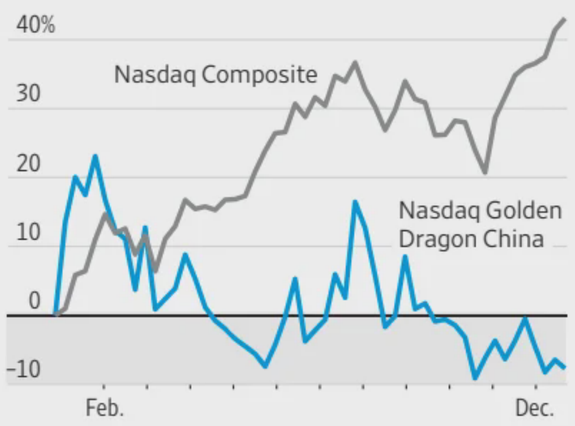
Index performance, year to date

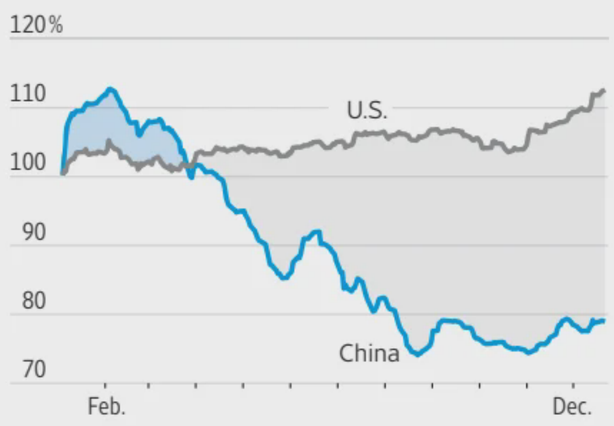


The average forward price/earnings ratio of shares in the Hang Seng Index

Index performance, year to date



Total return of ICE junk bond indexes, year to date



Sources: FactSet (perfomance, P/E); ICE Data Indices (junk bonds)

Berkshire CEO-to-Be Prepares For Buffett Departure

By Justin Baer

Berkshire Hathaway's future chief executive officer is no Warren Buffett. Fortunately for Greg Abel, he doesn't have to be.

Buffett, the 93-year-old chairman and CEO, unwrapped one of corporate America's longest-running mysteries in 2021 when he confirmed that Abel was his pick to succeed him in the role as CEO.

Abel, 61, is currently in charge of all of Berkshire's noninsurance businesses, which range from building materials to chemicals, footwear and candy. Berkshire owns one of North America's largest railroads.

"Greg will be more successful than I have been, and if I said otherwise, my nose would grow," Buffett said recently.

Buffett shows no inclination to step aside. But the death last month of Charlie Munger, his longtime business partner, has put a spotlight on what happens to the eighth most valuable U.S. company when the man who built and held it all together for decades—Buffett himself—is no longer there.

After all, it is the wit and showmanship of Buffett that draws tens of thousands of people to the annual meetings. And it is his personal reputation as an astute investor that opens doors to unusually lucrative deals.

"Berkshire is changing," Edward Jones analyst James Shanahan said. "The last 50 years were about Berkshire's unique characteristics and Berkshire as an investment company. For the next 50 it will be more as an operating company driving efficiencies and earnings growth."

Abel, unlike his boss, avoids the spotlight, and it is a safe bet he won't appear on as many TV shows as Buffett, whose credits include "All My Children" and "The Office." But he is expected to be more of a hands-on manager of the Berkshire companies, a turnabout from his famously hands-off boss.

Buffett is Berkshire's CEO, chairman and investment chief. When he exits, those duties will be split between several individuals, including Abel. Two other deputies, the money managers Ted Weschler and Todd Combs, are expected to run the massive investment portfolio once Buffett leaves the job. And Buffett has made it known that his son Howard will someday be nonexecutive chairman.

Abel is based in Des

Please turn to page B9

Streamers Fight For the Attention Of Children

By Jessica Toonkel

When Loren Levy's son Simon was little, he loved watching "Thomas & Friends," the British cartoon about a talking train. That changed when Simon turned 8 and began watching videos on YouTube.

"Now, all he wants to do is watch gamers and basketball clips and highlights on YouTube," said the South Orange, N.J.-based human-resources consultant. She can't persuade him to watch anything else.

The Levy family learned what has become clear across the media industry: When it comes to children's entertainment preferences, YouTube trumps all.

Netflix's share of U.S. streaming viewership by 2-to 11-year-olds fell to 21% in September from 25% two years earlier, according to Nielsen. Meanwhile, YouTube's share jumped to 33% from 29.4% over the same period.

That reality is changing major streaming services' approach to children's entertainment, from what shows and movies they make to where they release them. Many are pulling back on investments in children's content, and some streamers have started content for young viewers on such platforms as Google-owned YouTube and **Roblox**.

Entertainment companies recognize that youths are increasingly drawn to short-form content, not longer shows on streaming services, said Michael Hirsh, co-founder of WOW Unlimited Media, a Canadian animator.

"These viewers are watching on their iPads or on other platforms that have moved to shorter and shorter segments, and it's a real issue for the streamers," said Hirsh.

DISNEY+/EVERETT COLLECTION

New franchises struggle to break out and compete with kids' favorites such as Disney's 'Bluey.'

When Toronto-based **Spin Master** released its animated children's film about a school where students learn to ride unicorns, it made its debut on Roblox in September and was released on Netflix about two months later. The studio also released half of "Unicorn Academy" on YouTube in October, and Netflix released the second half of the movie on its own YouTube channel at the same time.

"It's really about following the consumer," said Jeremy Tucker, global chief marketing officer at Spin Master, the studio behind major children's franchises including "PAW Patrol."

To get the rights to one of the biggest preschool animated hits, "CoComelon," the streamer agreed with the show's creator, **Moonbug**, to let the show remain on YouTube, where it started and continues to air. While the streamer has long had children's channels on YouTube, such as Netflix After School, it has been resistant to putting full episodes of children's originals on the platform for fear of cannibalizing its audience, according to people familiar with the situation.

That has started to shift recently. Last month, Moonbug, with Netflix's blessing, released the first episode of a CoComelon spinoff series, called "CoComelon Lane," on YouTube a week before the series came

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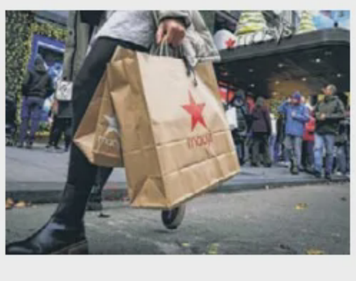
INSIDE

MANAGEMENT
Tesla's Elon Musk fixates on what he calls a 'woke mind virus.' **B4**



RETAILING
Stores have tightened their policies for returning holiday purchases. **B3**

Amazon Adds Cars To Online Offerings

By Sebastian Herrera

Willie Hall loves to browse and buy cars online, but he wants more options. Soon, he may turn to Amazon.com.

"I'm already a Prime member," said Hall, who lives in Colorado and bought a used Fiat 500 Abarth on **Carvana** in 2021. "I've been with Amazon for God knows how long and know the way they operate."

Amazon is eager to see just how many Willie Halls there are in the U.S. The company last month said shoppers next year will be able to browse, finance and complete a purchase of Hyundai vehicles on Amazon. Shoppers will only have to visit a dealership to pick up their car; the company is working on delivering the vehicles.

Car sales represent Amazon's next bet in e-commerce dominance and come after the Covid-19 pandemic made online car purchases more popular. Amazon executives want to make buying vehicles through its website as simple as purchasing toilet paper or dog food, and the company is looking to strike partnerships with carmakers.

The company is set to face several challenges in expanding the program beyond a pilot phase for employees starting early next year. One is dealerships, which remain at the center of most new-car sales and depend on service revenue for profit incentives. A second will be trying to get customers who visit its website mainly for lower-priced items to turn to the platform for one of the biggest purchases of their lives. Amazon also will have to

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Deal Is Struck for Stake in Soccer Team

CARL RECINE/REUTERS

DIPPING A TOE: British billionaire Jim Ratcliffe agreed to buy a minority stake in Manchester United in a deal that values the renowned club at around $6.3 billion including debt. B2

Ratcliffe Aims to Buy Soccer Team Stake

Investment values Manchester United more than $6 billion including debt

By Ben Dummett

British billionaire Jim Ratcliffe agreed to buy a minority stake in **Manchester United** in a deal that values the renowned soccer club at around $6.3 billion including debt and ends more than a yearlong sales process.

Manchester United said Ratcliffe will buy 25% of Manchester United's nonvoting shares, which are listed on the New York Stock Exchange and last traded at close to $20. He will pay $33 a share, the club said Sunday.

He also will buy 25% of the nonlisted voting shares held by the Glazer family, the club's controlling shareholder, at the same price, and become the single biggest shareholder.

Ratcliffe is chairman and founder of the **Ineos** petrochemical company and Britain's richest man. He will oversee the club's operations and talent acquisition and invest an additional $300 million to refurbish Manchester United's aging Old Trafford stadium.

The Glazers will remain in charge of the commercial side of the business.

The final deal, which still requires approval from the English Premier League, risks disappointing both Manchester United's public shareholders and its dedicated fan base—at least until Ratcliffe can show that his minority ownership can spur the stock price higher and turn around the team's sagging fortunes on the pitch.

PETER BYRNE/PA WIRE/ZUMA PRESS

Billionaire Jim Ratcliffe plans to buy 25% of the team's nonvoting shares and a chunk of shares held by the Glazer family.

That is because the public shareholders can only sell a portion of their holdings to Ratcliffe, while the Glazer family retains voting control and commercial oversight.

The Glazer family, better known as owners of the National Football League's Tampa Bay Buccaneers, effectively put the club up for sale in November 2022 as part of a strategic review of the English Premier League soccer outfit. The move followed a tumultuous tenure of close to 20 years that had seen beleaguered fans turn against the family and mount regular protests calling for the Glazers' exit.

At one point during the strategic-review process, many investors were betting on the outright sale of the club as Ratcliffe and Sheikh Jassim Bin Hamad al-Thani, chairman of Qatar Islamic Bank and the son of the country's former prime minister, bid against each other in an auction.

In the end, however, Ratcliffe's proposal to acquire a minority stake emerged in October as the Glazers' preferred bid. It allowed the family to stay involved as the controlling shareholder of the business and to claim that Manchester United is the world's most valuable sports team.

Including debt, the value of Ratcliffe's bid tops the $6 billion price that an investment group led by private-equity titan Josh Harris agreed to pay in April for the NFL's Washington Commanders.

U.S. investors play a major role in English soccer, with all of the top league's traditional Big Four teams—Arsenal, Chelsea, Liverpool and Manchester United—under U.S. control.

While the Glazers will still control Manchester United, Ratcliffe's investment puts him in a strong position if the family ultimately decides to pursue an outright sale. The new agreement doesn't, however, include any terms laying the groundwork for that to happen, people familiar with the matter said.

Manchester United has a storied history as a winner of a record 20 English league titles. But it hasn't won one since 2013. Last year it performed reasonably well, finishing third in the Premier League, but it is struggling this season with a current ranking of eighth.

A self-professed lifelong Manchester United fan, Ratcliffe will be betting on his experience as owner of professional sport clubs to restore the team to its former glory. His interests include the OGC Nice soccer team in the French top tier, FC Lausanne-Sport in Switzerland, the Ineos Grenadiers cycling team, a stake in Mercedes Formula One race car team and an investment in Great Britain's America's Cup sailing team.

Still, Ratcliffe's record suggests that is no guarantee of success. His cycling team hasn't won the Tour de France since its first full season as Team Ineos. Mercedes hasn't claimed a Formula One drivers' championship since Ineos bought in and no British boat has ever won the America's Cup.

Streamers Eye Young Audience

Continued from page B1

to the streamer.

Sony, with Netflix's permission, in recent weeks launched a YouTube channel of episodes and clips from its "The Creature Cases" preschool series on Netflix to help draw a bigger audience, according to a person familiar with the situation.

As recently as a few years ago, entertainment companies such as Netflix and **Warner Bros. Discovery**, then WarnerMedia, boosted their animated divisions. They saw cartoons—and youth program-ming in general—as essential to keeping subscribers as families want to keep services with shows their children watch.

Research showed families with children canceled their service at a lower rate than households without them, said Tom Ascheim, a veteran **Walt Disney** children's programming executive hired by Warner in 2020 to oversee a new division creating shows for children and young adults.

"Every piece of data showed that households with children watch more and were less likely to churn," said Ascheim, who recently co-founded **Pith & Pixie Dust**, a consulting firm that works with companies on attracting younger audiences.

Warner executives found that if young children watched franchises like Batman, the longtime value of that household as a subscriber was three times as large as one that hadn't watched them, said a person familiar with the situation. Children's shows were also thought to attract global audiences because the story lines are often universal and animation is easy to dub in foreign languages.

Under Ascheim, Warner's new kids and young adult division planned a host of new shows for its linear networks and for Max.

Then austerity set in. After Warner merged with Discovery in April 2022, it made cuts to its animated and children's division as part of an effort to reduce costs and pay down debt.

Ascheim's position was eliminated, and many of the cartoons planned for what is now Max were shelved or licensed to competitors. The company pulled episodes of "Sesame Street" from Max and has said that while it will continue to offer some children's programming, Max's focus is more on adults and families.

Netflix also has slimmed down its slate of animated children's originals, opting instead to rely more on third parties such as **Skydance Animation**, with which it just signed a multiyear deal to do animated films. Now, Netflix is focusing its youth programming resources on bigger swings, such as the animated film "Leo," starring Adam Sandler, its biggest animated debut ever in terms of views.

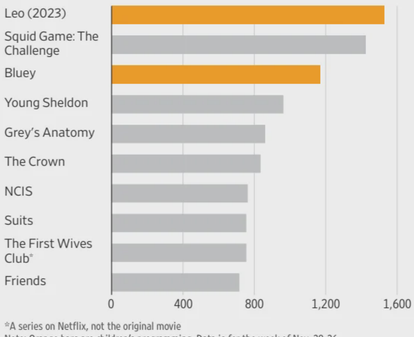
The eight largest U.S. streamers, including Netflix, Warner's Max and Amazon Prime Video, added 53 originals catering to children and families in the first half of the year, down from 135 for the first half of 2022, according to Ampere. That represents a decrease of 61%, compared with a 31% decrease in overall originals across these streamers for the same period.

Among the challenges streamers have confronted in making children's content is kids' tendency to seek out characters they know. It is hard to make new ideas break through.

"It is really difficult to build new franchises, especially in this fragmented streaming market," said Jeff Grossman, head of programming for Paramount+, which features such franchises as Nickelodeon's "SpongeBob SquarePants, "Teenage Mutant Ninja Turtles" and "PAW Patrol." Children's programming is consistently the most-watched content on Paramount+.

That is particularly true when these companies are going up against Disney, whose Disney+ streaming service is still core to families with young children, including such big hits as "Bluey."

Most-watched streaming shows and movies in the U.S., in millions of minutes



*A series on Netflix, not the original movie
Note: Orange bars are children's programming. Data is for the week of Nov. 20-26.
Source: Nielsen

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BRENDAN MCDERMID/REUTERS

Macy's now charges $9.99 to return online orders for shoppers who aren't part of its Star Rewards program.

Holiday Return Policies Tighten

By Joseph Pisani

Returning a Christmas gift? Better read the fine print.

Retailers such as **Amazon.com** and **Macy's** have added fees or shortened the window for returning online purchases this holiday shopping season.

Some retailers have been cracking down after a jump in online orders during the Covid-19 pandemic led to a surge in returns. About 40% of retailers charge for an online return, up from 31% last year, according to Narvar, a company that manages returns for retailers.

Returns are expensive for online retailers. Companies charge return fees to offset shipping and labor costs, said David Morin, vice president of customer strategy at Narvar. The fees are also an attempt to reduce customer returns, he said.

To avoid fees or getting stuck with an unwanted purchase, read the return policies, said Edgar Dworsky, who runs the consumer-advocate website ConsumerWorld.org and has tracked return policies for two decades.

If the retailer charges for online returns, bring a purchase back to the store, he said. That is still free.

Some retailers didn't change their holiday return policies this year, according to Dworsky.

Amazon cut its holiday return window by three weeks this year. Previously, Amazon allowed items bought on or after Oct. 11 through Christmas to be returned by the end of January, according to Dworsky. This year, it will only take back items bought on or after Nov. 1. That means purchases during Amazon's two-day sales event in October, which the company called an early holiday season sale, can't be returned.

Amazon said it is returning to its prepandemic holiday-returns policy.

Electronics store **Best Buy** accepts returns until Jan. 13 for most purchases made between Oct. 27 and Dec. 30. Online returns are free, though some items have restocking fees if they are opened.

Warehouse retailers **Costco Wholesale** doesn't have a deadline for returns of most items, but electronics and major appliances have a 90-day return window. Online returns are free.

At **Kohl's**, shoppers pay to ship their online purchases back. Most items can be returned within 180 days of purchase.

Macy's now charges $9.99 to return online orders for shoppers who aren't part of its Star Rewards program. The department-store chain said shoppers can join the rewards program, which is free, before they check out. Stores accept free returns of online purchases.

Marshalls and T.J. Maxx, discount chains owned by **TJX**, increased their return-by-mail fee by $1 to $11.99. Shoppers can return items free at stores.

Office-supplies retailer **Staples** shaved nine days off its return window, giving shoppers until Jan. 14 to return items purchased Nov. 13 or later.

Staples didn't respond to requests to comment.

At **Target**, online returns are free. The retailer has a 90-day return policy for most items.

Electronics, which normally have to be returned within 30 days, have an extended window during the holidays. If they were bought between Oct. 1 to Dec. 24, the return deadline is Jan. 24.

At **Walmart**, online returns are free. Most items purchased between Oct. 1 and Dec. 31 have to be returned by Jan. 31.

—Suryatapa Bhattacharya contributed to this article.

Consumers Add To Credit-Card Debt As Savings Dwindle

Big banks say people are taking longer to pay off their balances

By Angel Au-Yeung

U.S. consumers continue to burn through their pandemic savings and are taking on more debt, as they face high prices on everything from food and housing to entertainment.

Marianne Lake, co-chief executive of **JPMorgan Chase**'s consumer bank, said at a December conference that before the pandemic, the bank's lowest-income clients had on average 12 days' worth of cash on hand.

Today, that average is around 15 days, meaning consumers are close to spending down money they socked away during the pandemic.

"We're still on that journey, but getting closer to the end," said Lake.

For many consumers, maintaining their lifestyles while grappling with inflation and rate increases means relying more on credit cards and other products.

Some are loading up on loans from buy now, pay later players.

Some are loading up on installment loans offered by buy now, pay later players as grocery bills remain elevated and mortgage rates sit at around 7%.

Credit-card spending was up in the third quarter at major banks, including 9% at JPMorgan Chase, the nation's largest bank, and 15% at **Wells Fargo**.

Citigroup's credit-card spending was up 2%, partly because the measure includes store credit cards, which consumers have been using less as they favor other forms of credit.

Meanwhile, credit-card loans, or unpaid balances on accounts, jumped nearly 16% in the quarter at JPMorgan compared with a year ago, which means consumers are taking longer to pay their bills. Credit-card loans jumped 14% at Wells Fargo and 11% at Citigroup.

When JPMorgan reported its third-quarter earnings in October, CEO Jamie Dimon said that while consumers' financial pictures remain generally healthy, it is clear they are spending their savings. Deposits dropped 3% compared with a year ago in JPMorgan's consumer segment.

At Citigroup, deposits declined 5% in the personal-banking unit and 2% in wealth management. CEO Jane Fraser said on the bank's third-quarter earnings call in October that the pace of spending growth is slowing and consumers appear more mindful of what they are spending on.

At Citi, wealthy clients drove the spending growth, especially in travel and entertainment.

At Wells Fargo, deposits were down 10% from a year ago in the consumer-banking unit and 31% in the wealth-management unit. CEO Charlie Scharf said on the bank's third-quarter earnings call in October that the decline was mostly driven by consumer spending and reallocating cash into higher-yielding alternatives.

"My victory is facing my PTSD so I can be here for my children." After returning from service in Iraq, Naomi could still hear the booms and see the tracer fire. With the right support from DAV, she began to heal. DAV helps veterans of every generation get the benefits they've earned—helping more than one million veterans each year. Support more victories for veterans® **Go to DAV.org.**

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AMERICA'S VETERANS

Musk Fixates on a 'Woke Mind Virus'

The Tesla billionaire fights what he sees as overzealous progressive ideals

By Tim Higgins

The question to Elon Musk was a long time coming: What *is* the "woke mind virus," anyway?

For months and months, the world's richest man has been talking about the "woke mind virus"—let's call it WMV for short. He describes it as a threat to modern civilization and says those concerns motivated his decision more than a year ago to buy the social-media platform now known as X.

When it comes to how he defines that threat, however, he has been vague in public—painting a picture of something akin to hysterical groupthink by liberals against merit-based achievement and free speech, a catchall for what he expresses disagreement with.

Musk has lately expounded more on what worries him, including this month, when he was asked directly what he means by WMV and continued to attack **Walt Disney**—which he calls "deeply infected"—after the company cut ad spending on X.

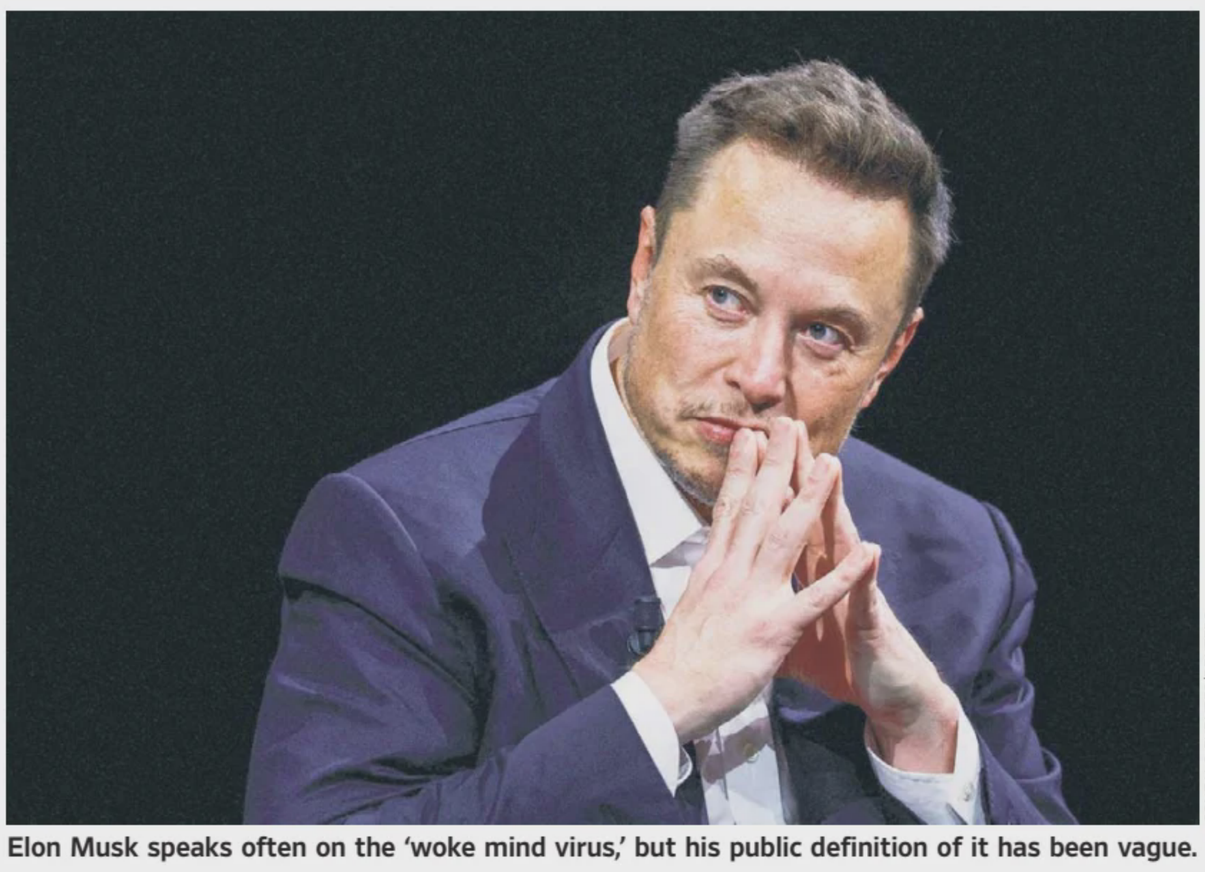
"The woke mind virus consists of creating very, very divisive identity politics...[that] amplifies racism; amplifies, frankly, sexism; and all of the -isms while claiming to do the opposite," Musk said at an event in Italy. "It actually divides people and makes them hate each other and hate themselves."

A few weeks earlier, during an appearance on a podcast, Musk summed it up simply as "communism rebranded."

Understanding what Musk means when he talks about WMV takes on greater importance as his stated concerns increasingly hang over any number of his actions—from how he manages X and positions the platform against the likes of Disney, to how his views might affect policies and customers at the other companies he runs.

In apparent expansion of his anti-WMV views, Musk is now taking aim at a management effort known as diversity, equity and inclusion, or, DEI. "DEI must DIE," he said in a tweet this month. "The point was to end discrimination, not replace it with different discrimination."

Musk's WMV fixation aligns with many of his supporters but has left even some of them frustrated. They say he has lost focus on other ambitions—such as transitioning the world to renewable energy with the electric-vehicle maker **Tesla**—while some of his more provocative comments have fueled criticism suggesting that his actions are themselves divisive and hurtful.



GONZALO FUENTES/REUTERS

Elon Musk speaks often on the 'woke mind virus,' but his public definition of it has been vague.

The history of WMV

During the past two years, he tweeted about the "mind virus" at least 27 times, and that doesn't include interviews in which he has referenced WMV, such as on a recent Joe Rogan podcast, when he called it "a death cult."

Among the mentions in spring 2022, he tweeted that WMV was making **Netflix** "unwatchable" and later pointed at Yale University as the "epicenter of the woke mind virus attempting to destroy civilization." Subsequently, Musk said the WMV was to blame for San Francisco's social problems and warned that unless it is stopped, "humanity will never reach Mars."

Yale and Netflix didn't respond to requests for comment.

During an April appearance on HBO's "Real Time with Bill Maher," however, Musk appeared to struggle with a clear definition when asked its meaning.

"I think we need to be very cautious about anything that is antimeritocratic and anything that...results in the suppression of free speech—so you know those are two other aspects of the woke mind virus that I think are very dangerous," Musk said.

Musk identified colleges and high schools as a breeding ground, recounting a story he said he heard from a friend in San Francisco who claimed his school-age daughter only knew that the nation's first president, George Washington, was a slave owner and nothing else.

"Parents are just generally not aware of what their kids are being taught or what they're not being taught," Musk said. "Slavery is obviously a horrific institution, but we should still know more about George Washington than that."

A call for clarity

Given all the attention on Musk's WMV warnings, MSNBC anchor Mehdi Hasan thought Musk's definition was a little vague. "Maybe, just maybe, if you cannot coherently define the woke mind virus that you've been obsessing over for a year or more, perhaps you were the one who's got it," Hasan concluded of Musk during a broadcast in May.

A book by the biographer Walter Isaacson released this year suggested that Musk's antagonism toward progressives was triggered in part by one of his children's transition to female and her embrace of Marxist politics—which the billionaire partly blamed on her high school in Los Angeles.

Earlier this month in Italy, Musk added, "You want to have people succeed based on how hard they work and their talents, not who they are, whether they're man or woman, what race or gender, that stuff is all...artificial, mental civil war."

Musk identified colleges and high schools as a breeding ground.

His stance against what he deems political correctness has won him new fans in conservative circles. The term "woke" is one thrown around a lot on the campaign trail by GOP candidates these days to negatively paint liberal beliefs. Earlier this year, Florida Gov. Ron DeSantis adopted Musk's WMV parlance when launching his bid for president.

"The woke mind virus is basically a form of cultural Marxism. At the end of the day, it's an attack on the truth," the Republican governor said on Fox News.

Adoption of the "woke mind virus" was a natural step for DeSantis. He had already been lobbing attacks at Disney, accusing the company of advancing "the woke political agenda," after the large Florida employer was critical of an education bill signed into law in 2022 by the governor that opponents dubbed "Don't Say Gay" legislation.

Increasingly, the Mouse House is looked at through a political lens, with certain groups critical of diverse casting picks in its productions and programming choices seen as leaning liberal. In late October, those decisions were highlighted in the bawdy, animated show "South Park," which took a satirical look at the cultural war around Disney. The episode, titled "Joining the Panderverse," dealt with recasting the show's white male characters with women of color.

Asked at a conference last month about claims that Disney has gone "woke," Chief Executive Bob Iger defended its positions on issues including immigration and the environment as good for business and said DeSantis was trying to impinge on Disney's free speech.

Musk vs. Disney

A self-described "South Park" fan, Musk quickly touted the Panderverse episode in several tweets, including one calling the episode a bellwether.

"The great wakening from woke has happened," Musk said. "This is good for civilization."

Several weeks after the episode aired, Disney was in Musk's crosshairs when the company joined several bigname brands in cutting ad spending on X following a tweet by Musk that promoted antisemitic vitriol and a report that some ads were running next to Nazi content.

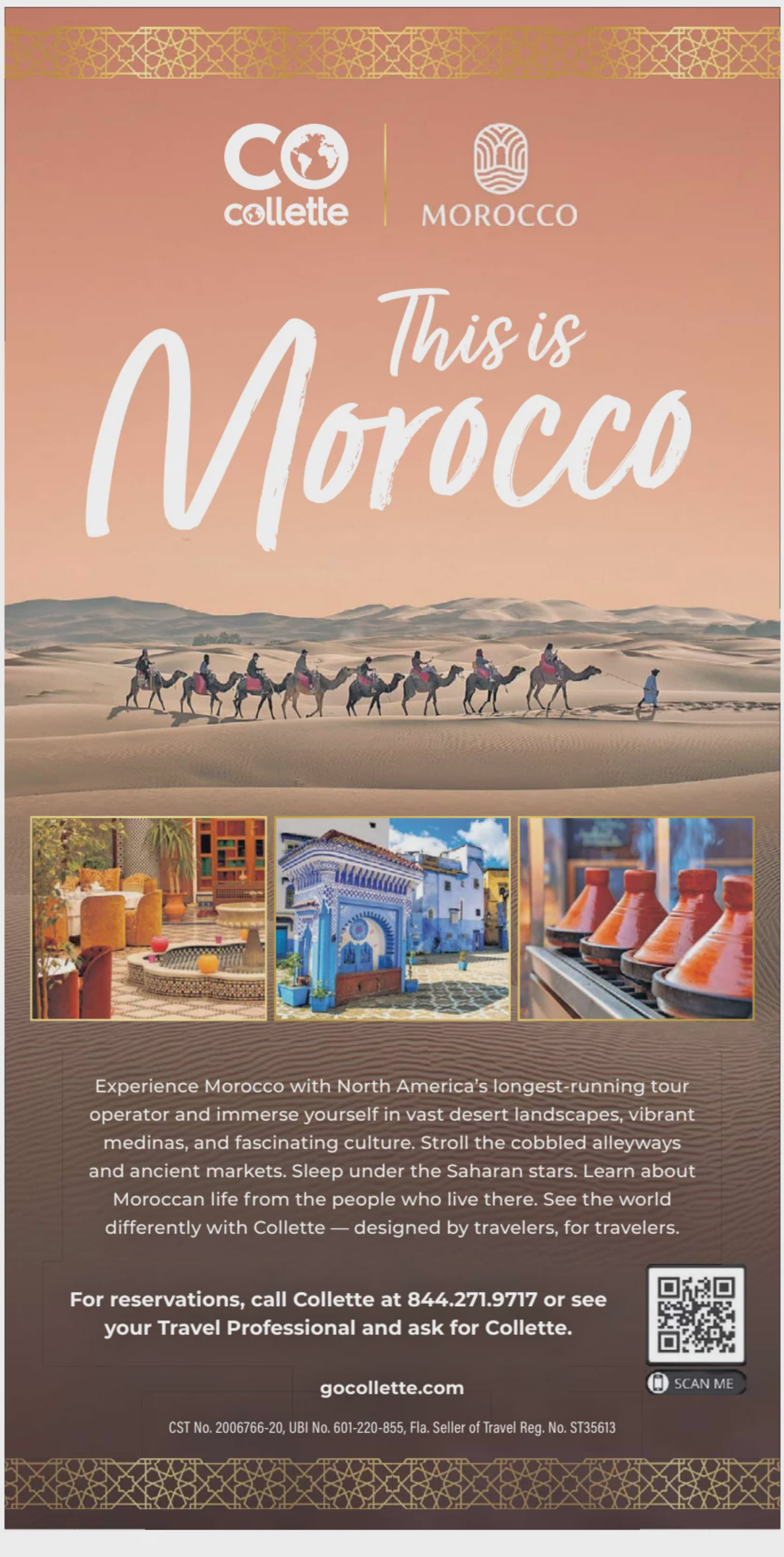
While Musk might have been angry at them all, he got personal with Disney, calling for Iger to be fired. And he continued the attacks against Disney earlier this month in Italy.

"Disney is deeply infected with the woke mind virus," Musk said.

Disney didn't respond to requests for comment on Musk's Italy remarks.

On the Italy stage, as he talked about the WMV, Musk hit on perhaps the most offensive part in his view: "Woke mind virus and fun are incompatible."

"Who wants to be scolded?" he added. "It's no fun."



ROBYN BECK/AGENCE FRANCE-PRESSE/GETTY IMAGES

Shoppers next year will be able to browse and complete a purchase of a Hyundai on Amazon.

Amazon Takes On Car Sales

Continued from page B1

navigate different government regulations.

"Customers tell us it's really hard to buy a car," Fan Jin, Amazon's director of vehicle sales, said.

Vehicle-buying software is fragmented, with dealers using a range of software providers. Varying regulations across states also make it difficult. "It's a process that we've heard time and again could use improvement, and we have an opportunity to go and prove it," she said.

When the new service launches later next year, Amazon said shoppers will be able to complete every step of the car-buying process through its website. Only new Hyundai vehicles will be available at the start. Consumers will have different financing options, but the company said it is working through details. Eventually, Amazon wants to expand to trade-in vehicles and used cars.

Many dealers might be loath to accept a high volume of online sales because they make a significant amount of money on service and warranty deals that customers agree to when they finance a car purchase.

Mike Sullivan, who runs a Hyundai dealership in Santa Monica, Calif., that is part of the pilot program, views the Amazon partnership as a positive step. Salespeople at the dealership could make half as much per sale in commission in online sales versus in person, he said, but the upside is the time spent on those sales is expected to be far less. Overall compensation could increase, he said.

During the height of the pandemic, Sullivan and many auto-sales professionals learned to embrace online sales. His dealerships sold about 300 cars online during the health crisis. Selling with Amazon could be easier, because "we now have the power of Amazon guiding these people to us," he said.

Another issue is that Amazon will be trying to get customers to think of its platform for car-buying. The typical transaction on Amazon is under $50, according to a recent survey by Consumer Intelligence Research Partners, which studies Amazon customer habits. Only 11% of customers surveyed reported spending $1,000 or more on a single item.

"They're great at getting you to spend $30 or $40, but it's hard to break through to the bigger stuff," said Josh Lowitz, co-founder of the research firm. "The bigger stuff is more infrequent, and so it's more special for the customer."

Jin, Amazon's director of vehicle sales, said while many people go to Amazon for everyday purchases, the company also has an established base that makes infrequent, higher-priced purchases for items such as furniture and electronics.

Some analysts estimate that two-thirds of customers already know what they want before purchasing their vehicles, with many people conducting their research on the web. But even if Amazon customers are ready for online car purchases, signing new carmakers will be complex and will depend on how much the Hyundai partnership succeeds, said Chris Sutton, vice president of automotive retail at consumer-data analytics firm J.D. Power.

Amazon and Hyundai first teamed up in 2021 through an online Hyundai showroom where viewers could "build" a car and locate inventory. Amazon said consumers responded positively to the showroom, and the company surveyed shoppers who indicated they were interested in going through the entire car-buying process with Amazon.

To entice Hyundai, Amazon struck a partnership that included cloud computing, advertising and integration of its Alexa technology in the brand's cars beginning in 2025. It is expected to provide dealers with performance data. AWS customers who make long-term cloud commitments can pay lower rates.

The company turned to more partnerships in many other business segments in recent months, including a partnership with **Meta Platforms**' Instagram for product sales.

Watch a Video

Scan this code for a video on how Amazon and its rivals race to be fastest.

MARKETS DIGEST

Dow Jones Industrial Average

37385.97 ▲80.81, or 0.22% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio	27.04	20.66
P/E estimate *	20.70	18.17
Dividend yield	1.97	2.07
All-time high	37557.92, 12/19/23	

NYSE weekly volume, in billions of shares

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc; †Based on Nasdaq-100 Index

S&P 500 Index

4754.63 ▲35.44, or 0.75% last week

High, low, open and close for each of the past 52 weeks

	Last	Year ago
Trailing P/E ratio *	21.78	18.61
P/E estimate *	21.37	17.37
Dividend yield *	1.48	1.75
All-time high	4796.56, 01/03/22	

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Major U.S. Stock-Market Indexes

	Latest Week High	Low	Close	Net chg	% chg	52-Week Low	Close (●)	High	% chg YTD	3-yr. ann.
Dow Jones										
Industrial Average	37641.30	37073.04	**37385.97**	80.81	**0.22**	31819.14		37557.92	**12.6**	12.8 **7.6**
Transportation Avg	16174.39	15721.33	**16063.90**	47.79	**0.30**	13298.36		16695.32	**18.4**	20.0 **8.8**
Utility Average	888.18	863.24	**873.15**	-8.74	**-0.99**	783.08		1002.11	**-10.5**	-9.7 **1.2**
Total Stock Market	47882.70	47028.61	**47663.98**	431.31	**0.91**	37910.34		47762.15	**23.6**	23.7 **7.1**
Barron's 400	1078.54	1058.05	**1074.86**	14.61	**1.38**	881.58		1074.86	**16.1**	16.8 **8.3**
Nasdaq Stock Market										
Nasdaq Composite	15069.29	14776.29	**14992.97**	179.05	**1.21**	10213.29		15003.22	**42.8**	43.2 **5.4**
Nasdaq-100	16860.68	16552.06	**16777.40**	153.95	**0.93**	10679.34		16811.85	**52.7**	53.4 **9.7**
S&P										
500 Index	4778.01	4697.82	**4754.63**	35.44	**0.75**	3783.22		4768.37	**23.7**	23.8 **8.8**
MidCap 400	2800.99	2741.36	**2787.53**	41.93	**1.53**	2326.82		2787.53	**14.5**	14.7 **6.7**
SmallCap 600	1328.03	1286.86	**1319.69**	28.81	**2.23**	1068.80		1319.69	**13.7**	14.0 **6.0**
Other Indexes										
Russell 2000	2042.47	1980.75	**2033.96**	48.83	**2.46**	1636.94		2033.96	**15.5**	15.5 **0.7**
NYSE Composite	16827.04	16532.80	**16770.45**	160.61	**0.97**	14599.05		16798.4	**10.4**	10.4 **5.4**
Value Line	596.17	582.26	**593.51**	8.95	**1.53**	498.09		606.49	**10.7**	10.7 **1.8**
NYSE Arca Biotech	5397.25	5181.62	**5368.86**	94.86	**1.80**	4544.40		5644.5	**1.4**	1.7 **-3.3**
NYSE Arca Pharma	904.03	882.28	**899.26**	16.98	**1.92**	791.91		925.61	**3.3**	3.6 **10.1**
KBW Bank	96.34	93.99	**95.32**	-0.51	**-0.54**	71.71		115.1	**-4.0**	-5.5 **0.4**
PHLX§ Gold/Silver	130.92	123.22	**127.94**	4.18	**3.38**	103.31		144.37	**5.0**	5.9 **-3.1**
PHLX§ Oil Service	86.69	83.45	**85.05**	2.021	**2.43**	69.29		98.76	**1.9**	1.4 **25.2**
PHLX§ Semiconductor	4153.25	4006.69	**4132.86**	15.86	**0.39**	2453.49		4132.86	**63.0**	63.2 **14.6**
Cboe Volatility	14.49	12.29	**13.03**	0.75	**6.11**	12.07		26.52	**-37.6**	-39.9 **-18.7**

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Nasdaq Composite

▲ 179.05, or 1.21% last week

DJ US TSM

▲ 431.31, or 0.91% last week

International Stock Indexes

Region/Country	Index	Latest Close	Net chg	% chg	YTD % chg
World	**MSCI ACWI**	**721.30**	0.13	**0.02**	19.1
	MSCI ACWI ex-USA	**311.49**	0.14	**0.04**	10.7
	MSCI World	**3152.49**	0.23	**0.01**	21.1
	MSCI Emerging Markets	**993.25**	0.97	**0.10**	3.9
Americas	**MSCI AC Americas**	**1807.73**	0.005	**0.0003**	24.1
Canada	**S&P/TSX Comp**	**20881.19**	...	**Closed**	7.7
Latin Amer.	**MSCI EM Latin America**	**2636.46**	-0.001	**...**	23.9
Brazil	**BOVESPA**	**132752.93**	...	**Closed**	21.0
Chile	**S&P IPSA**	**3443.05**	...	**Closed**	8.5
Mexico	**S&P/BMV IPC**	**57313.47**	...	**Closed**	18.3
EMEA	**STOXX Europe 600**	**477.60**	...	**Closed**	12.4
Eurozone	**Euro STOXX**	**474.19**	...	**Closed**	15.7
Belgium	**Bel-20**	**3679.69**	...	**Closed**	-0.6
Denmark	**OMX Copenhagen 20**	**2267.75**	...	**Closed**	23.6
France	**CAC 40**	**7568.82**	...	**Closed**	16.9
Germany	**DAX**	**16706.18**	...	**Closed**	20.0
Israel	**Tel Aviv**	**1867.00**	19.20	**1.04**	3.9
Italy	**FTSE MIB**	**30353.29**	...	**Closed**	28.0
Netherlands	**AEX**	**785.45**	...	**Closed**	14.0
Norway	**Oslo Bors All-Share**	**1509.61**	...	**Closed**	10.8
South Africa	**FTSE/JSE All-Share**	**74379.57**	...	**Closed**	1.8
Spain	**IBEX 35**	**10111.90**	...	**Closed**	22.9
Sweden	**OMX Stockholm**	**895.89**	...	**Closed**	14.6
Switzerland	**Swiss Market**	**11153.09**	...	**Closed**	3.9
Turkey	**BIST 100**	**7264.87**	-292.69	**-3.87**	31.9
U.K.	**FTSE 100**	**7697.51**	...	**Closed**	3.3
U.K.	**FTSE 250**	**19630.95**	...	**Closed**	4.1
Asia-Pacific	**MSCI AC Asia Pacific**	**164.80**	0.11	**0.07**	5.8
Australia	**S&P/ASX 200**	**7501.60**	...	**Closed**	6.6
China	**Shanghai Composite**	**2918.81**	4.04	**0.14**	-5.5
Hong Kong	**Hang Seng**	**16340.41**	...	**Closed**	-17.4
India	**S&P BSE Sensex**	**71106.96**	...	**Closed**	16.9
Japan	**NIKKEI 225**	**33254.03**	84.98	**0.26**	27.4
Singapore	**Straits Times**	**3140.32**	...	**Closed**	-3.4
South Korea	**KOSPI**	**2599.51**	...	**Closed**	16.2
Taiwan	**TAIEX**	**17604.84**	8.21	**0.05**	24.5
Thailand	**SET**	**1408.83**	3.74	**0.27**	-15.6

Sources: FactSet; Dow Jones Market Data

Commodities and Currencies

	Monday Close	Net chg	% Chg	YTD % chg
WSJ Dollar Index	**96.21**	-0.03	**-0.04**	-0.36
Euro, per dollar	**0.9077**	-0.0002	**-0.03**	-2.85
Yen, per dollar	**142.33**	-0.13	**-0.09**	8.55
U.K. pound, in dollars	**1.27**	0.0001	**0.01**	4.97

	Last Week Close	Net chg	% Chg	YTD % chg
DJ Commodity	**965.57**	6.12	**0.64**	-7.93
Refinitiv/CC CRB Index	**266.59**	1.53	**0.58**	-4.02
Crude oil, $ per barrel	**73.56**	2.13	**2.98**	-8.35
Natural gas, $/MMBtu	**2.610**	0.119	**4.78**	-41.68
Gold, $ per troy oz.	**2057.10**	36.00	**1.78**	13.05
U.S. Dollar Index	**101.71**	-0.84	**-0.82**	-1.75
WSJ Dollar Index	**96.24**	-0.61	**-0.63**	-0.33
Euro, per dollar	**0.9080**	-0.0099	**-1.08**	-2.82
Yen, per dollar	**142.46**	0.30	**0.21**	8.65
U.K. pound, in dollars	**1.27**	0.002	**0.12**	4.96

	52-Week Low	Close(●)	High	% Chg
DJ Commodity	930.59		1058.44	**-7.41**
Refinitiv/CC CRB Index	253.85		290.29	**-4.14**
Crude oil, $ per barrel	66.74		93.68	**-7.54**
Natural gas, $/MMBtu	1.99		5.28	**-48.61**
Gold, $ per troy oz.	1795.90		2071.00	**14.54**
U.S. Dollar Index	99.77		107.00	**-2.51**
WSJ Dollar Index	94.37		100.92	**-1.16**
Euro, per dollar	0.89		0.96	**-3.60**
Yen, per dollar	127.86		151.72	**7.28**
U.K. pound, in dollars	1.18		1.31	**5.37**

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Overview

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year

Selected rates

Money Market/Savings Accts

Bankrate.com avg:	**0.48%**
UFB Direct	**5.25%**
San Diego, CA	877-472-9200
TAB Bank	**5.27%**
Ogden, UT	800-355-3063
BrioDirect	**5.35%**
Montebello, NY	877-369-2746
MyBankingDirect	**5.35%**
Westbury, NY	516-683-4100
Popular Direct	**5.35%**
Miami Lakes, FL	800-274-5696

Interest rate	Yield/Rate (%) Last (●)	Week ago	52-Week Range (%) Low	High	3-yr chg (pct pts)
Federal-funds rate target	5.25-5.50	5.25-5.50	4.25	5.50	**5.25**
Prime rate*	**8.50**	8.50	7.50	8.50	**5.25**
SOFR	**5.31**	5.31	4.30	5.39	**5.22**
Money market, annual yield	**0.48**	0.48	0.33	0.64	**0.28**
Five-year CD, annual yield	**2.83**	2.83	2.71	2.87	**2.25**
30-year mortgage, fixed†	**7.21**	7.21	6.36	8.28	**4.32**
15-year mortgage, fixed†	**6.40**	6.59	5.54	7.42	**4.02**
Jumbo mortgages, $726,200-plus†	**7.28**	7.26	6.35	8.33	**4.39**
Five-year adj mortgage (ARM)†	**6.46**	6.64	5.33	7.16	**3.27**
New-car loan, 48-month	**7.69**	7.68	6.51	7.70	**3.67**

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: FactSet; Dow Jones Market Data; Bankrate.com

Benchmark Yields and Rates

Treasury yield curve

Yield to maturity of current bills, notes and bonds

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners

Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Wk ago	Spread +/- Treasurys, in basis pts, 52-wk Range Last	Low	High	Total Return 52-wk	3-yr
U.S. Treasury, Bloomberg	**4.130**	4.170				2.63	-3.93
U.S. Treasury Long, Bloomberg	**4.190**	4.150				-0.88	-11.62
Aggregate, Bloomberg	**4.590**	4.630	41	41	62	3.98	-3.40
Fixed-Rate MBS, Bloomberg	**4.740**	4.810	46	36	82	3.45	-2.98
High Yield 100, ICE BofA	**7.142**	7.302	284	284	459	12.308	2.244
Muni Master, ICE BofA	**3.064**	3.115	8	-9	11	5.229	-0.469
EMBI Global, J.P. Morgan	**7.240**	7.294	319	319	421	9.493	-3.073

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

New to the Market

Public Offerings of Stock

IPOs in the U.S. Market

Initial public offerings of stock expected this week; might include some offerings, U.S. and foreign, open to institutional investors only via the Rule 144a market; deal amounts are for the U.S. market only

Expected pricing date	Filed	Issuer/business	Symbol/ primary exchange	Shares (mil.)	Pricing Range($) Low/High	Bookrunner(s)
12/26	10/10	**Docola** Software-Medical Technology company engaged with a communication platform that streamlines workflow, supports clinical outcomes, and enables providers to publish their knowledge and prescribe that information to individual patients.	**DOCO** Nq	1.1	5.75/ 6.75	WallachBeth Capital

Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price($)	Offer amt ($ mil.)	Through Friday (%)	Lockup provision
Dec. 26	June 29, '23	Intensity Therapeutics	**INTS**	5.00	14.6	**23.4**	180 days
	June 28, '23	Savers Value Village	**SVV**	18.00	300.0	**-7.8**	180 days
	June 29, '23	Kodiak Gas Services	**KGS**	16.00	328.0	**23.3**	180 days
	June 28, '23	Fidelis Insurance Holdings	**FIHL**	14.00	297.5	**-8.5**	180 days
	June 27, '23	GEN Restaurant Group	**GENK**	12.00	33.0	**-42.2**	180 days

Sources: Dealogic; Dow Jones Market Data

IPO Scorecard

Performance of IPOs, most-recent listed first

Company **SYMBOL** IPO date/Offer price	Friday's close ($)	% Chg From Offer price	1st-day close
Linkage Global **LGCB** Dec. 19/$4.00	2.04	**-49.0**	-34.6
Bayview Acquisition **BAYAU** Dec. 15/$10.00	10.06	**0.6**	-0.1
Aimei Health Technology **AFJKU** Dec. 4/$10.00	10.19	**1.9**	0.4
Garden Stage **GSIW** Dec. 1/$4.00	7.66	**91.4**	-25.0
Fenbo Holdings **FEBO** Nov. 30/$5.00	5.00	**...**	12.6
Colombier Acquisition II **CLBR.UT** Nov. 21/$10.00	10.11	**1.1**	1.2
Elevai Labs **ELAB** Nov. 21/$4.00	1.83	**-54.3**	-46.2
DDC Enterprise **DDC** Nov. 17/$8.50	4.75	**-44.1**	-23.5
Richtech Robotics **RR** Nov. 17/$5.00	5.61	**12.2**	6.9
Global Lights Acquisition **GLACU** Nov. 14/$10.00	10.23	**2.3**	0.6
Shimmick **SHIM** Nov. 14/$7.00	6.10	**-12.9**	-4.7
Signing Day Sports **SGN** Nov. 14/$5.00	0.81	**-83.8**	-57.9
CARGO Therapeutics **CRGX** Nov. 10/$15.00	24.23	**61.5**	66.8
Hamilton Insurance Group **HG** Nov. 10/$15.00	14.58	**-2.8**	-2.8
Agriculture & Natural Solutions Acquisition **ANSCU** Nov. 9/$10.00	10.14	**1.4**	0.9
AI Transportation Acquisition **AITRU** Nov. 9/$10.00	10.18	**1.8**	0.2
Globavend Holdings **GVH** Nov. 8/$4.00	1.11	**-72.3**	-57.0
Lexeo Therapeutics **LXEO** Nov. 3/$11.00	15.55	**41.4**	54.7
Pineapple Financial **PAPL** Nov. 1/$4.00	1.86	**-53.5**	-17.3
Alpha Technology Group **ATGL** Oct. 31/$4.00	13.60	**240.0**	209.1

Sources: Dow Jones Market Data; FactSet

Public and Private Borrowing

Treasurys

Tuesday, December 26

Auction of 13 and 26 week bills; announced on December 21; settles on December 28

Auction of 52 week bill; announced on December 21; settles on December 28

Auction of 2 year note; announced on December 21; settles on January 2

Wednesday, December 27

Auction of 17 week bill; announced on December 26; settles on January 2

Auction of 5 year note; announced on December 21; settles on January 2

Thursday, December 28

Auction of 4 and 8 week bills; announced on December 26; settles on January 2

Auction of 7 year note; announced on December 21; settles on December 28 announced on December 21; settles on January 2

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 80.80 points, or 0.22%, on the week. A $1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a $1,000 investment on Dec. 31 in each current DJIA stock component would have returned $34,855, or a gain of 16.18%, on the $30,000 investment, including reinvested dividends.

The Week's Action: Pct chg (%)	Stock price change	Point chg in average*	Company	Symbol	Close	$1,000 Invested(year-end '22) $1,000
4.05	1.02	6.72	**Walgreens**	WBA	$26.22	**$752**
3.99	1.84	12.13	**Intel**	INTC	48.00	**1,859**
3.16	8.71	57.41	**Amgen**	AMGN	284.16	**1,120**
2.80	5.06	33.35	**American Express**	AXP	185.57	**1,275**
2.56	3.91	25.77	**Walmart**	WMT	156.65	**1,122**
2.46	2.59	17.07	**Merck**	MRK	107.70	**998**
1.81	4.74	31.24	**Salesforce**	CRM	266.34	**2,009**
1.64	2.99	19.71	**Travelers**	TRV	185.80	**1,014**
1.62	0.88	5.80	**Dow**	DOW	55.12	**1,153**
1.62	4.62	30.45	**Caterpillar**	CAT	290.36	**1,237**
1.54	4.43	29.20	**McDonald's**	MCD	291.70	**1,132**
1.31	2.17	14.30	**JPMorgan Chase**	JPM	167.40	**1,286**
1.14	1.70	11.20	**Chevron**	CVX	151.05	**875**
1.10	2.24	14.76	**Honeywell**	HON	205.64	**981**
1.04	3.85	25.37	**Microsoft**	MSFT	374.58	**1,576**
0.92	1.32	8.70	**Procter & Gamble**	PG	145.28	**983**
0.44	0.22	1.45	**Cisco**	CSCO	50.09	**1,084**
0.32	0.12	0.79	**Verizon**	VZ	37.49	**1,022**
0.19	0.30	1.98	**Johnson & Johnson**	JNJ	155.46	**907**
0.16	0.40	2.64	**Visa**	V	258.43	**1,254**
0.04	0.14	0.92	**Goldman Sachs**	GS	380.65	**1,144**
-0.06	-0.09	-0.59	**IBM**	IBM	162.14	**1,208**
-0.48	-0.28	-1.85	**Coca-Cola**	KO	58.32	**945**
-0.61	-0.65	-4.28	**3M**	MMM	106.33	**940**
-1.45	-3.83	-25.24	**Boeing**	BA	260.44	**1,367**
-1.53	-5.41	-35.66	**Home Depot**	HD	348.59	**1,134**
-2.01	-3.97	-26.17	**Apple**	AAPL	193.60	**1,498**
-2.04	-10.81	-71.25	**UnitedHealth Group**	UNH	520.31	**996**
-2.61	-2.44	-16.08	**Walt Disney**	DIS	91.02	**1,051**
-11.11	-13.51	-89.04	**Nike**	NKE	108.04	**935**

*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet.

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	Mon in US$	Mon per US$	US$ vs. YTD chg (%)
Americas			
Argentina peso	.0012804	.7269	**355.3**
Brazil real	.2057	4.8610	**-8.0**
Canada dollar	.7543	1.3257	**-2.2**
Chile peso	.001120	892.74	**5.2**
Colombia peso	.000253	3952.83	**-18.5**
Ecuador US dollar	1	1	**unch**
Mexico peso	.0588	16.9939	**-12.8**
Uruguay peso	.02529	39.5410	**-1.1**
Asia-Pacific			
Australia dollar	.6806	1.4693	**0.1**
China yuan	.1401	7.1365	**3.5**
Hong Kong dollar	.1280	7.8108	**0.1**
India rupee	.01202	83.173	**0.5**
Indonesia rupiah	.0000647	15467	**-0.6**
Japan yen	.007026	142.33	**8.5**
Kazakhstan tenge	.002185	457.68	**-1.1**
Macau pataca	.1240	8.0626	**0.2**
Malaysia ringgit	.2159	4.6320	**5.2**
New Zealand dollar	.6305	1.5860	**0.7**
Pakistan rupee	.00353	282.925	**24.8**
Philippines peso	.0181	55.400	**-0.5**
Singapore dollar	.7548	1.3249	**-1.2**
South Korea won	.0007717	1295.85	**2.7**
Sri Lanka rupee	.0030666	326.09	**-11.3**
Taiwan dollar	.03212	31.135	**1.6**
Thailand baht	.02892	34.580	**-0.1**

Country/currency	Mon in US$	Mon per US$	US$ vs. YTD chg (%)
Vietnam dong	.00004125	24245	**2.6**
Europe			
Czech Rep. koruna	.04486	22.292	**-1.2**
Denmark krone	.1476	6.7732	**-2.5**
Euro area euro	1.1017	.9077	**-2.9**
Hungary forint	.002890	345.97	**-7.3**
Iceland krona	.007315	136.71	**-3.4**
Norway krone	.0978	10.2280	**4.3**
Poland zloty	.2536	3.9439	**-9.9**
Russia ruble	.01087	91.993	**24.7**
Sweden krona	.0997	10.0282	**-3.9**
Switzerland franc	1.1703	.8545	**-7.6**
Turkey lira	.0342	29.2500	**56.5**
Ukraine hryvnia	.0266	37.6500	**2.2**
UK pound	1.2699	.7875	**-4.7**
Middle East/Africa			
Bahrain dinar	2.6589	.3761	**-0.3**
Egypt pound	.0326	30.6852	**24.0**
Israel shekel	.2768	3.6123	**2.5**
Kuwait dinar	3.2555	.3072	**0.4**
Oman sul rial	2.6001	.3846	**-0.1**
Qatar rial	.2736	3.655	**-0.3**
Saudi Arabia riyal	.2666	3.7511	**-0.2**
South Africa rand	.0541	18.4996	**8.7**

	Close	Net Chg	% Chg	YTD $ Chg
WSJ Dollar Index	96.21	-0.03	-0.04	**-0.36**

Sources: Tullett Prebon, Dow Jones Market Data

CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, December 22, 2023

Fund (SYM)	NAV	Close	52 wk Prem /Disc	52 wk Ttl Ret
General Equity Funds				
Adams Diversified Eq Fd ADX	20.49	17.58	-14.2	30.0
Central Secs CET	46.38	37.95	-18.2	18.3
CohenStrsCEOPpfFd FOF	10.78	11.10	+3.0	13.4
EVTxAdvDivInc ETV	24.34	21.98	-9.7	3.7
GabelliDiv&IncTr GDV	25.41	21.46	-15.5	11.1
Gabelli Equity Tr GAB	5.15	5.13	-0.4	3.8
GeneralAmer GAM	51.97	42.92	-17.4	26.2
JHancockTaxAdvDiv HTD	21.20	18.79	-11.4	-11.9
Liberty All-Star Equity USA	6.72	6.38	-5.1	20.2
Liberty All-Star Growth ASG	5.76	5.32	-7.6	16.2
Royce Micro-Cap Tr RMT	10.45	9.24	-11.6	15.7
Royce Value Trust RVT	16.47	14.56	-11.6	16.7
Source Capital SOR	43.84	40.15	-8.4	15.8
Sprott Focus Trust FUND	8.96	7.94	-11.4	6.0
SRH Total Return STEW	17.26	13.83	-19.9	14.8
Tri-Continental TY	32.52	28.81	-11.4	16.0
Specialized Equity Funds				
abrdn Glb Prem Prop AWP	4.30	3.85	-10.5	9.2
abrdn Global Infra Inc ASGI	21.05	17.92	-14.9	13.8
Adams Natural Resources PEO	25.10	20.96	-16.5	2.3
ASA Gold & Prec Met Ltd ASA	17.81	15.86	-10.9	9.2
BR Enh C&I CII	19.69	18.86	-4.2	20.7
BlackRock Energy & Res BGR	14.23	12.60	-11.5	8.5
BlackRock Eq Enh Div BDJ	8.76	7.83	-10.6	-0.6
BlackRock Enh Glbl Div BOE	11.71	10.06	-14.1	14.7
BlackRock Enh Intl Div BGY	NA	5.33	NA	14.6
BlackRock ESG Cap All T ECAT	17.98	16.33	-9.2	33.0
BlackRock Hlth Sci Term BMEZ	17.73	14.71	-17.0	4.0
BlackRock Hlth Sciences BME	41.74	39.39	-5.6	-1.8
BlackRock Innov&Gro Term BIGZ	9.06	7.48	-17.4	23.0
BlackRock Res & Comm BCX	10.58	9.05	-14.5	-1.7
BlackRock Sci&Tech Term BSTZ	21.38	16.97	-20.6	18.9
BlackRock Sci&Tech Trust BST	NA	34.27	NA	29.9
BlackRock Utl Inf & Pwr BUI	22.34	21.34	-4.5	8.2
CLEARBRIDGE ENGY MDS OPP EMO	37.60	33.09	-12.0	21.8
CLEARBRIDGE MLP&MDSTM TR CTR	39.01	33.73	-13.5	29.3
ClearBridge MLP & Midstm CEM	43.20	37.55	-13.1	21.6
ChnStrInfr UTF	22.71	21.25	-6.4	-3.0
Cohen&SteersQualInc RQI	12.94	11.85	-8.4	11.6
CohenStrs Real Est and I RLTY	15.95	13.91	-12.8	9.5
Cohen&Steers TotRet RFI	11.87	11.54	-2.8	1.6
CohenStrsREITPrefInc RNP	20.68	19.72	-4.6	6.1
Columbia Sel Prm Tech Gr STK	29.12	31.13	+6.9	46.3
DNP Select Income DNP	8.03	8.51	+6.0	-18.3
Duff&Ph Utils&Infra Inc Fd DPG	10.65	9.11	-14.5	-25.0
EtnVncEqtyInc EOI	17.06	16.31	-4.4	16.9
EtnVncEqtyInclOI EOS	19.65	18.67	-5.0	21.3
EVRskMnDvsEqInc ETJ	8.46	7.79	-7.9	11.9
ETnVncTxMgdBuyWrtInc ETB	14.16	13.02	-8.1	6.0
EtnVncTxMgdBuyWrtOp ETV	13.16	12.38	-5.9	10.1
EVTxMnDvsEqInc ETY	12.68	11.92	-6.0	17.0
EtnVncTxMgdGlbB ETW	9.00	7.79	-13.4	9.6
EVTxMnGblDvEqInc EXG	8.83	7.73	-12.5	12.8
Ecofin S&S Impact Term TEAF	14.96	11.72	-21.7	-2.3
First Trust Energy Inc G FEN	15.86	14.46	-8.8	9.8
First Tr Enhanced Eq FFA	18.64	17.80	-4.5	23.2
FirstTrEnergyInfra FIF	17.39	16.47	-5.3	21.0
FirstTrMLPEner&Inc FEI	9.40	8.65	-8.0	18.5
GabelliHealthcare GRX	11.45	9.22	-19.5	-3.8
Gab Utility GUT	2.92	5.71	+95.5	-8.5
GAMCOGlGold&NatRes GGN	3.99	3.77	-5.5	13.4
J Han Finl Opptys BTO	30.51	29.85	-2.2	-1.7
Neuberger Brmn Energy I&I NML	7.78	6.79	-12.7	11.2
Neuberger Net Gen Conn NBXG	13.57	11.03	-18.7	36.5
Nu Dow 30 Dyn Overwrite DIAX	16.09	13.96	-13.2	-1.2
NuvCorEq Alpha JCE	13.26	13.26	0.0	12.3
NuveenNasdq100DynOv QQQX	24.60	22.74	-7.6	19.6
Nuv Real Est JRS	8.76	7.65	-12.7	11.7
Nuv S&P500DynOvFd SPXX	16.25	14.88	-8.4	-0.6
NuvSP500BuyincFd BXMX	13.90	12.65	-9.0	8.1
ReavesUtilityIncome UTG	26.61	26.32	-1.1	-0.8
Tortoise Energy Infra Crp TYG	35.49	28.64	-19.3	-1.8
Tortoise Midstream Energy NTG	42.41	34.41	-18.9	7.8
VDivInt&PremStr NFJ	14.56	12.40	-14.8	19.8
V Art Int&Tech Opps AIO	20.20	17.53	-13.2	19.6
Income & Preferred Stock Funds				
CalamosStratTot CSQ	15.34	14.87	-3.1	21.5
CohenStrsLtdDurPrefInc LDP	20.49	18.71	-8.7	7.6
CohenStrsSelPrefIncome PSF	20.34	19.25	-5.4	11.2
CohenStrsTaxAvPrefSecs/I PTA	19.94	18.26	-8.4	11.2
Dividend and Income DNIF	18.90	NA	NA	NA
FirstTrIntDurPrefⅈInc FPF	18.61	16.27	-12.6	2.2
JHanPrefInc HPI	15.54	15.57	+0.2	7.0
JHPrefIncII HPF	15.42	15.93	+3.3	11.5
HnckJPfdInco III HPS	NA	13.98	NA	8.0
J Han Prm PDT	11.88	10.61	-10.7	-10.7
LMP CapInco SCD	15.48	13.96	-9.8	30.1
Nuveen Multi-Asset Inc NMAI	13.67	12.14	-11.2	17.5
Nuveen Pref & Inc Opp JPC	7.74	6.71	-13.3	-0.1
Nuveen Pref & Inc Term JPI	19.12	18.22	-4.7	3.1
Nuveen Var Rate P&I NPFD	19.44	16.35	-15.9	-0.3
TCW Strat Income TSI	5.23	4.83	-7.6	9.5
Convertible Sec's. Funds				
AdvntCnvrtblⅈncFd AVK	12.59	11.26	-10.6	13.3
CalamosConvHi GHY	10.77	11.88	+10.3	19.0
CalmosConvOp CHI	10.19	10.59	+3.9	8.7
V Conv & Inc NCV	3.85	3.40	-11.7	9.8
V Conv & Inc II NCZ	3.43	2.98	-13.1	13.3
V Div Inc & Conv ACV	21.28	20.31	-4.6	17.2
V Eqty & Conv Inc NIE	23.69	20.96	-11.5	26.7
World Equity Funds				
abrdn Emg Mkts Eq Inc AEF	5.89	5.03	-14.6	5.8
abrdn Glbl Dyn Div AGD	11.02	9.40	-14.7	8.6
abrdn Tot Dyn Div AOD	9.55	8.05	-15.7	11.2
Allspring Gl Div Opprty EOD	4.99	4.34	-13.0	8.0
BlackRock Cap Alloc Term BCAT	17.21	14.96	-13.1	19.5
Calamos GlobDynInc CHW	6.70	5.82	-13.2	13.4
EV TxAdvGlbDivInc ETG	19.52	17.10	-12.4	21.0
EtnVncTxAdvOpp ETO	26.23	23.50	-10.4	20.4
Gabelli Multimedia GGT	3.66	5.91	+61.5	28.7
GDL Fund GDL	10.19	8.05	-21.0	9.6
Highland Global Alloc HGLB	11.45	7.96	-30.5	-3.9
India Fund IFN	27.15	24.96	+2.7	32.5
Japan Smaller Cap JOF	9.00	7.40	-17.8	18.9
LazardGlbTotRetInc LGI	17.78	15.21	-14.5	11.5
Mexico MXF	NA	19.10	NA	30.8
MS ChinaShrFd CAF	NA	10.46	NA	7.1
MS ChinaShrFd CAF	14.42	12.17	-15.6	-12.0
EV TxAdvGlbDivInc ETG	19.52	17.10	-12.4	21.0
EtnVncTxAdvOpp ETO	26.23	23.50	-10.4	20.4
Gabelli Multimedia GGT	3.66	5.91	+61.5	28.7
GDL Fund GDL	10.19	8.05	-21.0	9.6
Highland Global Alloc HGLB	11.45	7.96	-30.5	-3.9
India Fund IFN	27.15	24.96	+2.7	32.5
Japan Smaller Cap JOF	9.00	7.40	-17.8	18.9
LazardGlbTotRetInc LGI	17.78	15.21	-14.5	11.5
Mexico MXF	NA	19.10	NA	30.8
MS ChinaShrFd CAF	14.42	12.17	-15.6	-12.0
MS CBRE GlInMg Term MEGI	15.42	13.09	-15.1	4.5
Nuveen Rl Asst Inc & Gro JRI	13.61	11.76	-13.6	10.6
Templeton Dragon TDF	9.09	7.97	-12.3	-21.0
Templeton Em Mkt EMF	13.19	11.45	-13.2	10.0

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Ttl Ret
U.S. Mortgage Bond Funds				
BlckRk Income BKT	12.70	12.10	-4.7	9.1
Investment Grade Bond Funds				
Angel Oak FS Inc Trm FINS	13.70	11.81	-13.8	9.7
BlRck Core Bond BHK	10.96	10.86	-0.9	8.6
BR Credit Alloc Inc BTZ	11.55	10.26	-11.2	10.0
Insight Select Income INSI	17.49	15.98	-8.7	4.9
J Han Income JHS	NA	10.82	NA	3.9
MFS Intmdt MIM	2.91	2.77	-4.8	0.0
Western Asset Inf-Lk Inc WIA	9.48	8.07	-14.9	14.0
Western Asset Inf-Lk Opp WIW	10.19	8.67	-14.9	12.6
Westn Asst IG Def Opp Tr IGI	17.67	17.27	-2.3	4.9
Loan Participation Funds				
Apollo Senior Floating AFT	15.05	13.46	-10.6	11.7
BR Debt Strategy DSU	10.95	10.80	-0.5	9.7
BR F/R Inc Str FRA	13.22	12.43	-6.0	10.6
BlackRock Floating Rt Inc BGT	12.86	12.21	-5.1	10.3
BS SFR 2027 T BSL	14.68	13.37	-8.9	10.0
BS St Cr 2027 Tm BGB	12.69	11.32	-10.8	10.1
Eagle Point Credit ECC	NA	9.32	NA	23.1
EtnVncFltRteInc EFT	13.32	12.70	-4.7	10.3
EV SenFltRTr EFR	13.05	12.63	-3.2	9.98
FT/Sr Fltg Rte Inc 2 FCT	11.15	9.86	-11.5	10.6
Highland Opprty & Income HFRO	12.56	7.79	-38.0	6.6
InvDYCrOpp:AX VTA	11.17	NA	NA	NA
InvSnrInc Tr VVR	4.09	4.12	+0.7	14.6
Nuveen Credit Strat Inc JQC	5.91	5.13	-13.2	11.7
NuvFloatRateIncFd JFR	9.25	8.05	-13.0	11.7
High Yield Bond Funds				
abrdn Inc Credit Str ACP	7.09	6.93	-2.3	19.4
AllianceBernGlbHiInc AWF	11.12	10.09	-9.3	9.0
Allspring Income Oppty EAD	7.34	6.50	-11.4	9.3
Barings Glb SD HY Bd BGH	15.19	13.49	-11.2	11.0
BR Corporate HY HYT	9.69	9.41	-2.9	10.7
BlackRock Ltd Dur Inc BLW	14.05	13.59	-3.3	9.0
BNY Mellon Hi Yield Str DHF	2.69	2.32	-13.8	8.1
Brookfield Real Asst Inc RA	NA	12.78	NA	17.4
CrSuisHighYld DHY	2.17	1.96	-9.7	9.7
DoubleLine Inc Sol DSL	12.18	11.99	-1.6	12.6
DoubleLine Yld Opps DLY	15.71	14.67	-6.6	9.6
First Tr Hi Inc Lng/Shrt FSD	12.85	11.61	-9.6	11.0
First Trust HY Opp 2027 FTHY	15.91	14.04	-11.8	11.4
Franklin Univ FT	7.50	6.63	-11.6	7.8
ICR Income Opportunities IKO	13.40	12.50	-6.7	11.6
NeubHgYldStrt NHS	8.13	7.56	-7.0	14.6
New Amer Hi Inc HYB	8.30	7.08	-14.7	7.3
Nuveen Global High Inc JGH	13.34	12.02	-9.9	11.1
PGIM Global High Yield GHY	12.92	11.65	-9.8	11.4
PGIM High Yield Bond HIGH	13.96	12.52	-10.3	10.5
PGIM Sh Dur Hi Yld Opp SDHY	17.52	15.11	-13.8	8.8
PioneerHilncm PHT	8.00	NA	NA	9.5
WstAstHiF II HIX	4.84	4.80	-0.8	12.7
Western Asset Hi Inc Opp HIO	4.29	3.82	-11.0	9.8
Western Asset Hi Yld D OHY	12.51	11.96	-4.4	9.7
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector ERC	10.13	9.39	-7.3	8.7
Apollo Tactical Income AIF	14.77	14.01	-5.1	11.4
Ares Dynamic Crdt Alloc ARDC	14.43	13.35	-7.5	10.4
BlackRock Mlti-Sctr Inc BIT	14.70	15.23	+3.6	9.8
BlackRock Tax Muni Bd BBN	18.02	16.43	-8.8	7.5
DoubleLine Oppor Crdt Fd DBL	14.92	15.28	+2.4	8.9
EVLmtDurInnov EVV	10.67	9.62	-9.8	11.0
Franklin Ltd Dur Income FTF	7.16	6.29	-12.2	11.5
J Han Investors JHI	14.42	12.81	-11.2	6.9
MFS Charter MCR	6.95	6.57	-5.5	0.0
NuvCorePlusImpact NPCT	11.90	10.26	-13.8	10.9
Nuveen Taxable Muni Inc NBB	17.46	15.98	-8.5	5.6
PIMCO Corp & Inc Oppty PTY	11.21	13.15	+17.3	11.4
PIMCO Corp & Inc Strat PCN	11.53	12.27	+6.4	12.2
PIMCOHilnco PHK	4.63	4.93	+6.5	12.3
PIMCO IncmStrFd PFL	8.07	8.37	+3.7	12.1
PIMCO IncmStrFd II PFN	7.10	7.20	+1.4	12.5
Putnam Prem Inc PPT	3.84	3.61	-6.0	9.0
Western Asset Dvsfd Inc WDI	15.44	14.08	-8.8	11.0
World Income Funds				
abrdn AP IncFd FAX	3.10	2.79	-10.0	12.3
MS EmMktDomDebt EDD	5.47	4.70	-14.1	6.8
PIMCO Access Income PAXS	14.80	14.29	-3.4	16.0
PIMCO Dynamic Income PDI	17.13	17.90	+4.5	18.5
PIMCO Dynamic Inc Opp PDO	12.36	11.96	-3.2	20.5
PIMCO Stratg Inc RCS	4.37	5.88	+34.6	10.8
Templeton Em Inc TEI	5.86	5.09	-13.1	11.3
TempltnGlblInc GIM	4.33	3.84	-11.3	9.3
WstAstEmergDebt EMD	10.53	9.35	-11.2	10.4
Western Asset Gl Cr D Op GDO	13.12	12.73	-3.0	10.1
National Muni Bond Funds				
AllBerNatlMunInc AFB	12.74	10.86	-14.8	3.7
BlckRk Inv Q Mun BKN	13.30	12.02	-9.6	4.3
BlackRock Muni 2030 Tgt BTT	24.03	20.77	-13.6	3.1
BlackRock Muni BFK	11.62	10.08	-13.3	3.9
BlackRock Muni II BLE	12.34	10.71	-13.2	4.1
BlckRk Muni Inc Qly BYM	12.91	11.27	-12.7	4.2
BR MuniAssets Fd MUA	11.55	10.63	-8.0	5.1
BR MH Qly 2 MUE	11.75	10.10	-14.0	3.7
BR MuniHoldings MHD	13.83	11.91	-13.9	3.8
BR MuniVest Fd MVF	8.15	7.00	-14.1	3.7
BR MuniVest 2 MVT	12.60	10.86	-13.8	3.7
BR MuniYield Fd MYD	12.40	10.75	-13.3	4.3
BR MuniYield Qlty 2 MQY	13.47	12.33	-8.5	4.6
BR MuniYld Qlty2 MQT	11.87	10.59	-10.8	4.3
BR MuniYld Qly 3 MYI	12.84	11.57	-9.9	4.4
BNY Mellon Muni Bd Infra DMB	12.04	10.31	-14.4	4.7
BNY Mellon Str Muni Bond DSM	6.73	5.70	-15.3	4.5
BNY Mellon Strat Muni LEO	6.97	5.96	-14.5	4.5
DWS Muni Inc KTF	NA	8.86	NA	3.7
EVMuniBd EIM	11.63	10.12	-13.0	4.2
EVMuniIncm EVN	11.42	9.85	-13.7	4.6
EVNatMuniOpp EOT	18.47	16.86	-8.7	4.5
InvAdvMulncTrII VKI	9.91	8.46	-14.6	4.8
Invesco MuniOp OIA	6.41	6.43	+0.3	5.3
InvescoMuOppTr VMO	11.08	9.50	-14.3	4.7
InvescoMuTr VKQ	11.11	9.45	-14.9	4.8
InvescoQual Inc IQI	11.18	9.50	-15.0	4.9
InvTrInvGrMu VGM	11.43	9.82	-14.1	4.3
InvescoValMuninc IIM	13.65	11.74	-14.0	4.9
MAINSTAYMKTFTRMUNOP MMD	17.15	16.22	-5.4	5.5
NeubrgrBrmn NBH	12.10	10.35	-14.5	4.8
Nuveen AMT-Fr Mu Val NUW	15.43	13.62	-11.7	3.6
Nuveen AMT-Fr Qlty Muni NEA	12.92	10.93	-15.4	4.1
Nuveen AMT-Fr Mu Cl NVG	13.86	11.86	-14.4	4.6
Nuveen Dyn Muni Opp NDMO	10.97	9.97	-9.1	8.0
Nuveen Mu Cr& Opps NMCO	11.48	9.99	-12.7	6.1
Nuv Muni Credit Income NZF	13.82	11.81	-14.5	4.6
NuvMuniHiIncOp NMZ	11.10	9.94	-10.5	5.6
Nuveen Muni Val NUV	9.45	8.64	-8.6	4.0
Nuveen Quality Muni Inc NAD	13.29	11.31	-14.9	4.3
Nuveen Sel TF NXP	14.73	14.80	+0.5	4.1
PIMCO Municinc PMF	9.72	9.44	-2.9	5.6
PIMCOMunilncII PML	9.00	8.36	-7.1	6.1
Pimco Muni III PMX	8.29	7.51	-9.4	5.5
PioneerHilncAdv MAV	9.39	8.07	-14.1	5.1
PionrMuniHilncOppty MIO	12.56	10.60	-15.6	5.3
PioneerMunHilcm MHI	10.07	8.63	-14.3	5.1
Putnam Mgd Inc Trmm PMM	6.68	6.16	-7.8	5.5
Putnam Muni Opp PMO	11.48	10.29	-10.4	4.9
NeubHgYldStrt NHS	8.13	7.56	-7.0	14.6
New Amer Hi Inc HYB	8.30	7.08	-14.7	7.3
Nuveen Global High Inc JGH	13.34	12.02	-9.9	11.1
PGIM Global High Yield GHY	12.92	11.65	-9.8	11.4
PGIM High Yield Bond HIGH	13.96	12.52	-10.3	10.5
PGIM Sh Dur Hi Yld Opp SDHY	17.52	15.11	-13.8	8.8
PioneerHilncm PHT	8.00	NA	NA	9.5
WstAstHiF II HIX	4.84	4.80	-0.8	12.7
Western Asset Hi Inc Opp HIO	4.29	3.82	-11.0	9.8
Western Asset Hi Yld D OHY	12.51	11.96	-4.4	9.7
Other Domestic Taxable Bond Funds				
Allspring Multi-Sector ERC	10.13	9.39	-7.3	8.7
Apollo Tactical Income AIF	14.77	14.01	-5.1	11.4
Ares Dynamic Crdt Alloc ARDC	14.43	13.35	-7.5	10.4
BlackRock Mlti-Sctr Inc BIT	14.70	15.23	+3.6	9.8
BlackRock Tax Muni Bd BBN	18.02	16.43	-8.8	7.5
DoubleLine Oppor Crdt Fd DBL	14.92	15.28	+2.4	8.9
EVLmtDurInnov EVV	10.67	9.62	-9.8	11.0
Franklin Ltd Dur Income FTF	7.16	6.29	-12.2	11.5
J Han Investors JHI	14.42	12.81	-11.2	6.9
MFS Charter MCR	6.95	6.57	-5.5	0.0
NuvCorePlusImpact NPCT	11.90	10.26	-13.8	10.9
Nuveen Taxable Muni Inc NBB	17.46	15.98	-8.5	5.6
PIMCO Corp & Inc Opptty PTY	11.21	13.15	+17.3	11.4
PIMCO Corp & Inc Strat PCN	11.53	12.27	+6.4	12.2
PIMCOHilnco PHK	4.63	4.93	+6.5	12.3
PIMCO IncmStrFd PFL	8.07	8.37	+3.7	12.1
PIMCO IncmStrFd II PFN	7.10	7.20	+1.4	12.5
Putnam Prem Inc PPT	3.84	3.61	-6.0	9.0
Western Asset Dvsfd Inc WDI	15.44	14.08	-8.8	11.0
World Income Funds				
abrdn AP IncFd FAX	3.10	2.79	-10.0	12.3
MS EmMktDomDebt EDD	5.47	4.70	-14.1	6.8
PIMCO Access Income PAXS	14.80	14.29	-3.4	16.0
PIMCO Dynamic Income PDI	17.13	17.90	+4.5	18.5
PIMCO Dynamic Inc Opp PDO	12.36	11.96	-3.2	20.5
PIMCO Stratg Inc RCS	4.37	5.88	+34.6	10.8
Templeton Em Inc TEI	5.86	5.09	-13.1	11.3
TempltnGlblInc GIM	4.33	3.84	-11.3	9.3
WstAstEmergDebt EMD	10.53	9.35	-11.2	10.4
Western Asset Gl Cr D Op GDO	13.12	12.73	-3.0	10.1
National Muni Bond Funds				
AllBerNatlMunInc AFB	12.74	10.86	-14.8	3.7
BlckRk Inv Q Mun BKN	13.30	12.02	-9.6	4.3
BlackRock Muni 2030 Tgt BTT	24.03	20.77	-13.6	3.1
BlackRock Muni BFK	11.62	10.08	-13.3	3.9
BlackRock Muni II BLE	12.34	10.71	-13.2	4.1
BlckRk Muni Inc Qly BYM	12.91	11.27	-12.7	4.2
BR MuniAssets Fd MUA	11.55	10.63	-8.0	5.1
BR MH Qly 2 MUE	11.75	10.10	-14.0	3.7
BR MuniHoldings MHD	13.83	11.91	-13.9	3.8
BR MuniVest Fd MVF	8.15	7.00	-14.1	3.7
BR MuniVest 2 MVT	12.60	10.86	-13.8	3.7
BR MuniYield Fd MYD	12.40	10.75	-13.3	4.3
BR MuniYield Qlty 2 MQY	13.47	12.33	-8.5	4.6
BR MuniYld Qlty2 MQT	11.87	10.59	-10.8	4.3
BR MuniYld Qly 3 MYI	12.84	11.57	-9.9	4.4
BNY Mellon Muni Bd Infra DMB	12.04	10.31	-14.4	4.7
BNY Mellon Str Muni Bond DSM	6.73	5.70	-15.3	4.5
BNY Mellon Strat Muni LEO	6.97	5.96	-14.5	4.5
DWS Muni Inc KTF	NA	8.86	NA	3.7
EVMuniBd EIM	11.63	10.12	-13.0	4.2
EVMuniIncm EVN	11.42	9.85	-13.7	4.6
EVNatMuniOpp EOT	18.47	16.86	-8.7	4.5
InvAdvMulncTrII VKI	9.91	8.46	-14.6	4.8
Invesco MuniOp OIA	6.41	6.43	+0.3	5.3
InvescoMuOppTr VMO	11.08	9.50	-14.3	4.7
InvescoMuTr VKQ	11.11	9.45	-14.9	4.8
InvescoQual Inc IQI	11.18	9.50	-15.0	4.9
InvTrInvGrMu VGM	11.43	9.82	-14.1	4.3
InvescoValMuninc IIM	13.65	11.74	-14.0	4.9
MAINSTAYMKTFTRMUNOP MMD	17.15	16.22	-5.4	5.5
NeubrgrBrmn NBH	12.10	10.35	-14.5	4.8
Nuveen AMT-Fr Mu Val NUW	15.43	13.62	-11.7	3.6
Nuveen AMT-Fr Qlty Muni NEA	12.92	10.93	-15.4	4.1
Nuveen AMT-Fr Mu Cl NVG	13.86	11.86	-14.4	4.6
Nuveen Dyn Muni Opp NDMO	10.97	9.97	-9.1	8.0
Nuveen Mu Cr& Opps NMCO	11.48	9.99	-12.7	6.1
Nuv Muni Credit Income NZF	13.82	11.81	-14.5	4.6
NuvMuniHiIncOp NMZ	11.10	9.94	-10.5	5.6
Nuveen Muni Val NUV	9.45	8.64	-8.6	4.0
Nuveen Quality Muni Inc NAD	13.29	11.31	-14.9	4.3
Nuveen Sel TF NXP	14.73	14.80	+0.5	4.1
PIMCO Municinc PMF	9.72	9.44	-2.9	5.6
PIMCOMunilncII PML	9.00	8.36	-7.1	6.1
USQ Core Real Estate I	24.48	NA	NA	-11.9
USQ Core Real Estate IS	24.55	NA	NA	-11.8
Versus Cap MMgr RE Inc I	25.83	NA	NA	NE
Versus Capital Real Asst	27.74	NA	NA	4.9
Wildermuth I	8.72	NA	NA	-32.0
Income & Preferred Stock Funds				
Alpha Alternative Assets	6.23	NA	NA	1.8
Calamos L/S Eqty and DI CPZ	17.48	14.75	-15.6	8.2
Carlyle Alpinv Pvt Mkt:A	NA	NA	NA	NS
Carlyle Alpinv Pvt Mkt:I	NA	NA	NA	NS
First Trust Alt Opps:A	26.11	NA	NA	8.5
First Trust Alt Opps:I	26.42	NA	NA	9.3
Flat Rock Opportunity	19.11	NA	NA	18.6
Lord Abbett Spec Sit I:A	9.23	NA	NA	14.5
Lord Abbett Spec Sit I	9.23	NA	NA	15.4
Variant Altrntv Inc Inst	29.84	NA	NA	9.4
Variant Impact Instl	28.83	NA	NA	13.7
Convertible Sec's. Funds				
Calmos Dyn Conv and Inc CCD	19.69	20.19	+2.5	12.4
World Equity Funds				
ACAP Strategic:A	18.08	NA	NA	29.1
ACAP Strategic:W	19.56	NA	NA	30.1
CalamosGlbTotRet CGO	10.18	9.18	-9.8	14.6
Cantor Fitzgerald Sit:A	10.58	NA	NA	2.5
Cantor Fitzgerald Sit:C	10.51	NA	NA	NS
Cantor Fitzgerald Sit	10.58	NA	NA	NS
Primark Priv Eq Inv:I	12.15	NA	NA	10.5
Sweater Cashmere	21.23	NA	NA	5.6
Thornburg Inc Bldr Opp	TBLD	17.99	15.58	-13.4
VirtusTotalRetFd ZTR	6.42	5.46	-15.0	0.5

Fund (SYM)	NAV	Close	Prem /Disc	12 Mo Ttl Ret
U.S. Mortgage Bond Funds				
Arca US Treasury	NA	NA	NA	NE
Ellington Inc Oppr:A	9.24	NA	NA	NA
Ellington Inc Oppr:M	9.12	NA	NA	NA
Loan Participation Funds				
1WS Credit Income:A2	18.86	NA	NA	6.4

China Market Risks Lurk

Continued from page B1

where heavily indebted companies and households focus on paying back debt rather than investing. Chinese companies, not including financial institutions, have debt worth around 28% of gross domestic product—the highest level in the world, according to the International Monetary Fund. Some economists think the comparisons to Japan are overblown, but they show how dramatically the tone around China has soured this year.

What does this all mean for 2024? More optimistic investors argue that after the years-long slide of Chinese stock prices there are bargains to be had. Shares in the Hang Seng Index are trading at an average price of about eight times their projected earnings, near their lowest level in at least two decades, according to FactSet.

Chinese tech companies are usually touted as the obvious picks for bargain hunters. E-commerce giant **Alibaba**'s U.S.-listed shares are trading at a price around eight times projected earnings. Shares of **Tencent**, a huge social-media and videogame company, are trading at about 13 times earnings. The "Magnificent Seven" tech stocks that powered the U.S. stock-market rally this year are trading at an average price/earnings ratio of more than 30.

There is a chance that China bears run out of steam. Shorting Chinese stocks is the second-most-crowded trade among global fund managers, according to a recent survey by Bank of America. (The most crowded: buying the Magnificent Seven stocks.)

But a lot will depend on politics. Many Wall Street economists think China needs a big fiscal stimulus package to really kick-start its economy. China's economic growth is still impressive by global standards, but it is weaker than many had expected and it looks set to get weaker still. Goldman Sachs expects China to grow 4.8% in 2024, down from a predicted 5.3% this year. The bank predicts that by 2030 growth will settle at around 3%.

Beijing has so far proved reluctant to unleash a fiscal bazooka, instead pushing through a series of piecemeal changes to ease pressure on property developers and stretched local governments.

At the recent Central Economic Work Conference, a high-level government meeting, the country's politicians vowed to boost consumption and raise income levels. But they didn't make clear the extent to which they will help the country's embattled property developers complete tens of millions of apartments that remain unfinished, a major drag on confidence.

China's economy isn't the only thing keeping investors awake at night. Beijing's policy shifts can lead to huge market consequences. A continuing real-estate slump started when the government attempted to reduce debt in the sector. A clampdown on internet companies that began around three years ago fueled a huge stock-market selloff.

Investors got a reminder of the power of policy last week, when a proposed rule change that would limit how much people can spend while playing videogames wiped off more than $60 billion of value from the Hong Kong-listed shares of Tencent and **NetEase**, its smaller rival.

Meanwhile, U.S. politicians are pressuring index funds and private-equity shops to cut China out of their portfolios, leaning on Wall Street to sever ties, and directly trying to cripple some of the country's most promising companies with sanctions.

Wall Street analysts disagree on what comes next. On Nov. 12, Goldman Sachs and Morgan Stanley released outlooks that included predictions of how Chinese shares will perform in 2024.

Goldman Sachs predicted the CSI 300 index will rise 16% in 2024. Morgan Stanley analysts expect returns of less than half that.

The more optimistic of those two projections won't wipe out the losses from this year, let alone the past three years. Even the bargain hunters will need a strong stomach.

Peltz Resigns From Wiesenthal Board

Jewish organization called for consumers to shun ice-cream maker after posts

By Saabira Chaudhuri

Billionaire investor Nelson Peltz resigned from his position at the Simon Wiesenthal Center after the Jewish organization urged people not to buy Ben & Jerry's ice cream.

Peltz, who is a board member at **Unilever**, Ben & Jerry's parent, stepped down from the center on Dec. 12, according to people familiar with the matter. His firm, **Trian Fund Management**, is a Unilever shareholder.

The Wiesenthal Center, which has been critical of Ben & Jerry's support for Palestinians, raised fresh objections to the brand in a post on X earlier this month after its independent chairman denounced Israel's actions in Gaza.

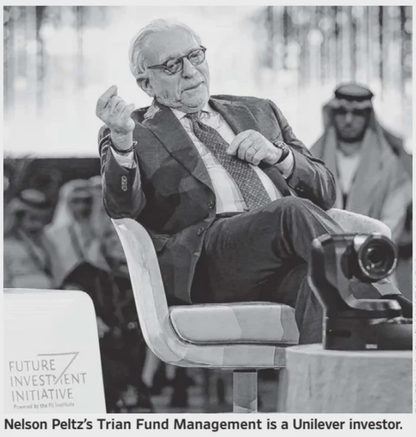
Peltz was disappointed the center didn't consult him first about the tweet and called its rabbi to issue his immediate resignation after he learned about it, according to a person familiar with his thinking. He had been involved with the center since the 1980s, and was ready to depart given his myriad other responsibilities, the person said. Peltz's resignation wasn't announced publicly.

On Dec. 8, the Wiesenthal Center's X account posted a tweet saying Ben & Jerry's was "justifying" the Oct. 7 massacre by Hamas. "No one should spend a penny on their products," it added.

The tweet featured a photo of Ben & Jerry's Chairman Anuradha Mittal, who on her private Twitter account has backed a permanent cease-fire between Israel and Hamas. Mittal, who also runs an Oakland, Calif., think tank focused on progressive causes, has posted regularly about the conflict.

Ben & Jerry's hasn't posted on its own social-media accounts or commented anywhere else about the conflict in Gaza.

The Wiesenthal Center's tweet said the ice-cream brand was "justifying the mass murderer [sic], raping and torturing of Jewish hostages including children." After The Wall Street Journal contacted the center and Trian for comment, the tweet was deleted.



TASNEEM ALSULTAN/BLOOMBERG NEWS

Nelson Peltz's Trian Fund Management is a Unilever investor.

Peltz, 81 years old, most recently was chair of the center's board of governors. He has also been a major donor to the center, which is named after an Austrian Holocaust survivor who dedicated his life to tracking down Nazi war criminals.

Mittal said in an interview that she complained about the Wiesenthal Center's tweet to Unilever, saying it unfairly singles out Ben & Jerry's and has made her feel unsafe. "For me this is still a live issue," she said, adding the tweet's deletion hasn't stopped a barrage of hateful emails, X messages and LinkedIn messages being sent to her.

Mittal said she raised concerns about Peltz's dual positions on the board of Unilever and the Wiesenthal Center, and asked the company to investigate whether Peltz may have breached his fiduciary duty to shareholders given the center's calls for consumers to stop buying Unilever products.

Before the tweet was deleted, Rabbi Abraham Cooper, the center's associate dean, told the Journal in a statement that there was no call for an official boycott of Ben & Jerry's, but any company or executive who doesn't "denounce mass rape of women, mass kidnappings, beheadings, holding children and the elderly hostage underground for seven weeks+, we have the right and obligation to call you out!"

Peltz, a longtime activist investor who is in the midst of a proxy battle with Disney, joined the Unilever board last year. Trian last year disclosed it manages funds that own a roughly 1.5% stake in Unilever.

Preparing For Buffett Departure

Continued from page B1

Moines, Iowa, a couple of hours by car from Berkshire headquarters in Omaha, Neb. Born and raised in the Canadian Prairies, he showed from his days as a young accountant that he could read and relate to people as well as he could balance sheets.

"He's still a numbers guy and understands the language of business as well as anyone," said Ron Olson, a longtime Berkshire director and a partner at Munger Tolles & Olson, the law firm co-founded by Munger. "But he loves to learn."

Abel was about 30 when he left PricewaterhouseCoopers's San Francisco office in the early 1990s to join one of his clients, an Omaha power-producing company called CalEnergy. The CEO, David Sokol, had grown up in Omaha. So had Walter Scott, CalEnergy's biggest shareholder.

A few years later, CalEnergy bought Northern Electric in England. Sokol shipped Abel across the Atlantic to manage the new acquisition.

On a visit there to check in on his lieutenant, Sokol hopped into the car sent to pick him up at the Newcastle airport. On the drive in, the company driver gushed about Abel, saying it seemed as though the Canadian executive had spent his entire career in northeastern England. "How many guys like Mr. Abel do you have?"

Sokol had to smile. "He's one of a kind," he said.

By 1999, Abel was back in the U.S. and was president of the company, now called MidAmerican Energy and based in Des Moines. The shareholder Scott, a lifelong friend of Buffett's and a Berkshire board member, asked the Berkshire CEO if he would consider investing.

Buffett put up about $2 billion in stock, preferred shares and fixed-income securities, and came away from the deal with a roughly 75% stake.

Soon, Abel's name was appearing alongside Sokol's in Buffett's annual letters. In his 2002 letter, Buffett paid them both the ultimate compliment. "They are dealmakers, and they are managers," he wrote. (Scott died in 2021.)

DAVID WILLIAMS/BLOOMBERG NEWS

Greg Abel, center, at a shareholder event in Omaha, Neb., in May.

Berkshire's takeover would give the company, later renamed Berkshire Hathaway Energy, more than just the Buffett seal of approval. Whereas publicly traded utilities were often expected to return more than half of earnings to shareholders in the form of stock dividends, Buffett had long argued that his companies would be better served putting that money to work in its businesses, or toward buying new ones.

And that is exactly what Sokol and Abel did. Berkshire Hathaway Energy has spent about $24 billion in acquisitions and another $94 billion in capital investments since the early 2000s, Shanahan calculates. "They've been able to retain earnings, and that is unique to Berkshire," he said.

Buffett Kremlinologists thought Sokol might be the person to take over from Buffett as CEO. But Sokol resigned in 2011 after a controversy over his personal trades. He said his departure had nothing to do with the trading. The Securities and Exchange Commission later informed Sokol that it wouldn't take action against him.

Berkshire watchers began homing in on Abel after Buffett promoted him in 2018, putting him in charge of the noninsurance operations and making him a vice chairman and a board member.

Then, at the 2021 annual meeting, Munger let the news slip with a comment assuring shareholders that Abel would maintain the company's unique culture.

It isn't clear if corporate chieftains will be as eager to deal with Abel as they were with Buffett. And when Buffett is no longer guiding the company, shareholders might feel empowered to press for changes, like paying a dividend or selling certain businesses.

Meanwhile, Abel's hands are full.

Olson, the Berkshire director, said Buffett had tasked Abel with managing the company's continuing dispute with the truck-stop mogul Jimmy Haslam.

Haslam had agreed to sell Pilot Travel Centers to Berkshire in several stages. Berkshire and the Haslams are now fighting in a Delaware court to determine how much Berkshire will have to pay for the 20% of PTC it doesn't already own.

When the deal was hatched, Abel sent a text to Kyle Krause, a close friend in Des Moines. Krause's company, the convenience-store chain Kum & Go, is a competitor of sorts to PTC and Abel sat on its board. "Kyle, I gotta resign," he wrote, Krause recalls. "Have a conflict."

Olson said he is confident Abel is a match for the CEO job. "He's no Warren Buffett," Olson said. "But neither is anyone else."

Mark Oman, a retired Wells Fargo executive who met Abel through mutual friends, said he can often be spotted around his home city—at the Iowa State Fair, a favorite dive bar, or at his son's hockey games, where he is an assistant coach.

That is, if you recognized him. "Greg tries to keep a low profile," Oman said.

THE TICKER | MARKET EVENTS COMING THIS WEEK

Tuesday

No major events are scheduled for the day

Wednesday

Short-selling reports
Ratio, days of trading volume of current position, at Nov 30

NYSE	4.3
Nasdaq	3.0

EIA status report
Previous change in stocks in millions of barrels

Crude-oil stocks	up 2.9
Gasoline stocks	up 2.7
Distillates	up 1.5

Mort. bankers indexes

Purch., previous	down 1.0%
Refinan., prev.	down 2.0%

Thursday

EIA report: natural-gas
Previous change in stocks in billions of cubic feet: down 87

Freddie Mac mortgage survey
Previous weekly averages

30-year fixed	6.67%
15-year fixed	5.95%

Initial jobless claims

Previous	205,000
Expected	215,000

Friday

U.S. bond markets close early at 2pm ET but stocks will have a full year-end session

Chicago PMI

Nov., previous	55.8
Dec., expected	50.0

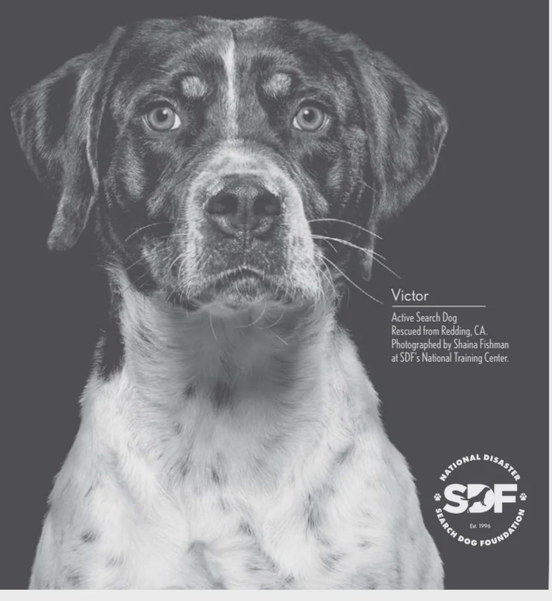
* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split

Note: Forecasts are from Dow Jones weekly survey of economists

dog•ged
/'dôgəd/
adjective

Despite spending my early life in a shelter, there's no dog more determined than me. Thanks to the National Disaster Search Dog Foundation, if you're ever trapped under rubble after a disaster, I'll find you. That's my job, and what I was born to do. You'll never find a dog more *dogged*.

THE NATIONAL DISASTER SEARCH DOG FOUNDATION
Strengthening disaster response in America by rescuing dogs and partnering them with first responders to save lives. Be Part of the Search℠ today. Call (888) 4K9-HERO, visit SearchDogFoundation.org, or write to SDF, 6800 Wheeler Canyon Road, Santa Paula, CA 93060.



Victor
Active Search Dog
Rescued from Redding, CA.
Photographed by Shaina Fishman
at SDF's National Training Center.

NATIONAL DISASTER SDF SEARCH DOG FOUNDATION Est 1996

HEARD ON THE STREET
FINANCIAL ANALYSIS & COMMENTARY

Take the Year to Boost Stock Returns

Investors generally wait too long to harvest tax losses from their portfolios, leaving billions on the table

Holiday lights, ugly sweaters and culling your losers.

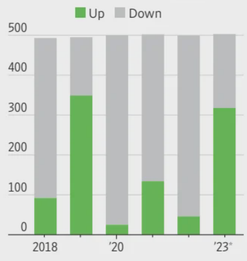
December is the month American investors are bombarded with reminders to dig through their portfolios for the stocks or funds they wish they hadn't bought. Their consolation prize is the ability to reap tax savings and boost long-run returns. But making tax-loss harvesting a seasonal exercise means lots of money is left on the table.

With the S&P 500 up by more than 22% through the middle of December but most of those gains from a handful of stocks—**Apple**, **Microsoft**, **Nvidia** and the rest of the "Magnificent Seven"—this month would seem like an ideal time to make that move. There were 185 stocks in the index on Dec. 14 that had lost money. But technological advancements now allow investors to profit from lumps of coal in their stockings any day of the year and to boost after-tax returns as a result.

Alex Michalka, vice president of investment research at robo adviser Wealthfront, notes that it wouldn't be feasible for a human to scan their hundreds of thousands of accounts regularly for selling opportunities like its algorithms do. He cites the example of 2020, which was a solid year for stocks overall. One-third of the tax losses Wealthfront harvested for its clients came in March when the pandemic sent markets diving and tax planning was the last thing on anyone's mind. Waiting until December would have been far less fruitful.

Tax-loss harvesting is the real deal—something for nothing, as long as investors don't run afoul of the Internal Revenue Service's wash-sale rule by buying the same security, or a substantially similar one, within 30 days. Consider the hypothetical example of an investor who buys $1,000 in Exxon Mobil stock only to watch it drop 10%. Still wanting to own a large oil company for the long term, she sells her shares for $900, swapping the investment for Chevron, which is different enough for the IRS. At her 30% marginal tax rate, the tax benefit she will receive on that year's return is $30.

S&P 500 stock movement, by year



Note: Index doesn't always have 500 stocks.
*Data through Dec. 14
Sources: Russell Investments; FactSet

Reinvesting the $900 in cash plus the tax benefit, her Chevron stake goes on to double to $1,860 over several years. At that point she sells and pays tax at her long-term capital-gains rate of 15%, pocketing $1,720. Despite being responsible for a larger capital gain, that is still 2.4% more after taxes than just hanging on to Exxon for the same period, assuming its stock had an identical performance.

And that is only a single instance of tax-loss harvesting. Volatile years offer the best opportunities. But by waiting until year-end, many of the opportunities either will be gone or be less valuable.

The people who can reap the most bang for the buck from tax-loss harvesting are relatively young and make a lot of money. Unlike older buy-and-hold investors, they purchased stocks or funds more recently so are more likely to be sitting on losses but are still in a high-enough tax bracket to reap the benefit. That cohort is also the most likely to be comfortable using an automated solution.

The rise of low-cost index funds is a good thing, saving investors money. But technology now allows investors to create portfolios of individual stocks that mimic an index fund fairly cheaply. Even though 2023 had only two days when the S&P 500 was in the red for the year, there will be some losing stocks to cull even in the best year.

Combining direct indexing with automated tax-loss harvesting can maximize the potential benefit for high-net-worth investors. It has been embraced by financial-services firms including Fidelity, **Charles Schwab**, **Morgan Stanley**, **Goldman Sachs**, **Bank of America**, **BlackRock** and Wealthfront.

Investors put a lot of energy into what they make. They should pay closer attention to what they lose.

—Spencer Jakab

New Yelp Has Earned Its Extra Stars

Buying growth is rarely a cheap concept, especially for small tech companies that lack the pocketbooks of their much larger peers.

Yelp knows this well. Founded 19 years ago as a pioneer in the field of online reviews for local businesses, Yelp established an internet advertising business now generating more than $1.2 billion a year in revenue. That is a tenfold increase from when the company went public in 2012.

Even that was a hard-won business for Yelp. Selling ads to local restaurants, plumbers and day spas required an army of young sales reps who mostly lacked the experience necessary to chase bigger deals at bigger employers. Yelp spent an average of 55% of its annual revenue on sales and marketing costs for the years 2011 through 2020. The self-service nature of much of Google's search ad franchise allowed the internet titan to amass a more lucrative business at a much lower rate of relative spend.

Yelp has long considered **Alphabet**'s Google its nemesis. But competing against Google for two decades taught Yelp the value of scaling an online ad business in a more cost-effective way. The company built up a self-serve advertising arm that has increased its revenue by around 25% year over year for the past four quarters. And that segment, along with multilocation advertising geared toward larger businesses, now accounts for more than half of Yelp's total advertising revenue.

Yelp is getting better at coming up with new products and services that help its appeal among advertisers. The result, according to Colin Sebastian of Robert W. Baird, has been "a transformation from a sales-driven organization to a more engineering-driven company." That makes for a more efficient business model: Yelp's sales and marketing costs accounted for 42% of revenue for the 12-month period ended in September, and analysts project that number to fall further to 40% next year, according to FactSet estimates.

Yelp's stock surged 77% this year, its biggest annual gain in a decade. Goldman Sachs upgraded the shares to a "buy" rating in July, with analyst Eric Sheridan estimating that Yelp's net earnings per salesperson jumped from 37% of ad revenue in 2014 to 54% last year. That upgrade sent Yelp's shares 10% higher in a single day. Cory Carpenter of JPMorgan upgraded the stock to a "neutral" rating in October, writing in a note to clients that "Yelp has navigated the challenging ad market better than most of its peers."

Further gains will depend on how well Yelp can keep boosting ad sales efficiently while also improving its product and staying on top of important technology shifts such as generative AI. Yelp is also one of the few internet companies of its generation still run by its founder, which Baird analyst Sebastian credits with helping the company in its most recent transformation. CEO Jeremy Stoppelman still has a few more stars to reach for.

—Dan Gallagher

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