

What's News

Business & Finance

- ◆ **Chinese automaker BYD** for the first time topped Tesla as the world's largest seller of electric vehicles on a quarterly basis, a sign of China's emerging strength in the global market for battery-powered cars. **A1**
- ◆ **About a quarter** of U.S. subscribers to major streaming services canceled at least three of them over the past two years, according to November data from analytics provider Antenna. **A1**
- ◆ **U.S. stocks ended mixed**, with the Dow eking out a small, 0.07% gain to close at a record, while the S&P 500 retreated 0.6% and the Nasdaq gave up 1.6%, taking a hit from big tech names. **B9**
- ◆ **Juul is fighting a lawsuit** brought by investors who allege that two directors who helped bail out the e-cigarette maker when it was on the brink of insolvency were defending their own interests, not the company's. **B1**
- ◆ **Money manager Advent International** is in talks to acquire peer Fisher Investments, people familiar with the matter said. **B3**
- ◆ **Iberdrola's U.S. renewables unit Avangrid** ended a merger agreement with power company PNM after rejecting a bid to extend the deal's deadline. **B3**
- ◆ **Chevron said it would book \$3.5 billion to \$4 billion** in charges for the fourth quarter, citing regulatory challenges and the sale of assets in the Gulf of Mexico. **B3**
- ◆ **Moller-Maersk said it would pause indefinitely** all transit through the Red Sea and Gulf of Aden after an attack on one of its ships. **B2**

World-Wide

- ◆ **A suspected Israeli attack** targeted a Hamas gathering in Beirut, killing at least seven members of the Palestinian militant group, including one of its most influential founding members, Lebanese and Palestinian security officials said. **A1**
- ◆ **Claudine Gay resigned** as Harvard University's president, capping a dramatic fall from power fueled by her response to antisemitism on campus and mounting allegations of plagiarism. **A1**
- ◆ **The Biden administration** asked the Supreme Court to reinstate federal authority over the line between Mexico and Texas, after state officials persuaded a lower court to block the Border Patrol from removing concertina wire installed to deter migrants from crossing a stretch of the Rio Grande. **A2**
- ◆ **Trump's campaign** asked a Maine court to reverse last week's decision by the state's top election official to remove the Republican front-runner from the presidential ballot. **A3**
- ◆ **The FBI said there** was no evidence the driver in Rochester, N.Y., who plowed into concert traffic on New Year's Eve in an SUV filled with gas canisters was engaged in terrorism. **A3**
- ◆ **The death toll from** a 7.6-magnitude earthquake centered on an area of Japan's west coast rose to at least 62 people, authorities in Ishikawa prefecture said. **A6**
- ◆ **Russia launched** another mass drone-and-missile attack against Ukraine, the latest salvo in Moscow's growing campaign to break Ukrainian morale and degrade its air-defense systems. **A6**

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Harvard President Steps Down

Gay faced allegations of plagiarism and was rebuked for response to antisemitism

By MELISSA KORN

Harvard University President Claudine Gay resigned from her leadership role Tuesday, capping a dramatic fall from power fueled by her

response to antisemitism on campus and mounting allegations of plagiarism.

The resignation comes after weeks of criticism over her initial response to Hamas's Oct. 7 attacks on Israel and early December comments at a House committee hearing that equivocated on whether calling for the genocide of Jewish people violated the campus code of conduct.

Though she had main-

tained the support of Harvard's governing body, she also faced escalating external calls to resign over allegations that she failed to properly credit other researchers in her published work.

"It is with a heavy heart but a deep love for Harvard that I write to share that I will be stepping down as president," Gay wrote in a message to the Harvard community Tuesday afternoon, just six months after

beginning her tenure. She called the decision "difficult beyond words" and wrote that she would return to the faculty.

Gay said she discussed the matter with members of the school's top governing body, the Harvard Corporation. The board said Tuesday that it accepted her resignation "with sorrow," and commended her for withstanding the recent furor.

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Explosion In Beirut Kills a Top Leader Of Hamas

Suspected Israeli strike halts hostage talks, raises fears of broader Mideast war

A suspected Israeli attack targeted a Hamas gathering in Beirut on Tuesday, killing at least seven members of the Palestinian militant group, including one of its most influential founding members, Lebanese and Palestinian security officials said, sending shock waves through the Middle East and bringing weeklong hostage negotiations to a halt.

By Dion Nissenbaum, Adam Chamseddine, Benoit Faucon and Summer Said

Powerful blasts rocked a Beirut neighborhood early Tuesday evening, killing Saleh al-Aroui, a founder of the Hamas military wing, deputy head of its political bureau and, the group said, an architect of the group's Oct. 7 attack in southern Israel that killed 1,200 people, most of them civilians. The explosions sent shattered glass and car parts flying through the streets near one of the city's famed sweet shops.

Israel's leaders have vowed to go after all Hamas leaders involved in the Oct. 7 attack, and Tuesday's blast appeared to be the first deadly expansion of its campaign outside the Gaza Strip, where more than 22,000 Palestinians have been killed, most of them women and children, since early October, local health officials said. The figure doesn't distinguish between civilians and militants.

Hamas confirmed Aroui's death. The Israeli military declined to comment on the blast.

Israel's Army Radio attributed the blast to a Hamas attack. Please turn to page A8

- ◆ **Legal case takes shape against Hamas**..... **A8**
- ◆ **Court ruling reflects splits among Israelis**..... **A9**
- ◆ **Families band together for hostages**..... **A9**

Jetliner Passengers in Tokyo Escape Fireball



TRAGEDY ON RUNWAY: All 379 passengers and crew escaped from a burning Japan Airlines jet after it collided with a Japan coast guard plane at Tokyo's Haneda Airport, causing the coast-guard plane to explode, killing five of the six people on board. **A6**

Tesla Falls Behind Rival in Quarter

By REBECCA ELLIOTT

Chinese automaker BYD for the first time topped Tesla as the world's largest seller of electric vehicles on a quarterly basis, a sign of China's emerging strength in the global market for battery-powered cars.

BYD reported selling more than 526,000 fully electric vehicles in the fourth quarter of 2023, compared with Tesla's sales of nearly 485,000 for the same period.

Tesla remained ahead of BYD for the full year. But the

Chinese rival's ascent in the global pecking order has put new pressure on Tesla at a time when the U.S. electric-car maker is already leaning on steep price cuts to juice its sales.

Tesla said Tuesday it delivered about 1.81 million EVs worldwide in 2023, meeting its full-year guidance and slightly beating Wall Street's expectations.

The figure was 38% higher than the previous year's, showing that Tesla's growth rate slowed slightly as the company has entered an increasingly

competitive chapter defined by more gradual expansion and slimmer profit margins.

By comparison, BYD sold nearly 1.6 million battery-powered vehicles last year, up more than 70% over 2022.

Tesla's results come as concerns are growing on Wall Street about the level of demand for the company's cars—and EVs more broadly—in the year ahead.

BYD, which began in 1995 as a battery manufacturer, has become China's leading seller of so-called new energy vehicles, a category which in-

cludes EVs and plug-in hybrids. Its rise reflects China's growing dominance in the EV space. Many of the country's automakers have moved more quickly than Western car companies to bring highly digital EVs to market.

BYD also sells EVs that are more affordable than those offered by Tesla, putting a wider swath of the market within reach. It doesn't yet sell passenger cars in the U.S., which

Please turn to page A2

- ◆ **Heard on the Street: BYD to take on the world**..... **B10**

U.S. Subscribers Are Canceling Streaming Services as Bills Rise

By SARAH KROUSE

It is getting a lot harder for streaming services to hold on to their customers.

Crystal Revis, a mother of six in Lynn Haven, Fla., recently canceled her subscriptions to Disney+ and Paramount+, among others, because of their swelling price tags and the rising cost of living. She is considering canceling Netflix, home to shows such as "The Crown" and films including "Leave the World Behind."

Revis is among the consumers nationwide paring their streaming bills and getting more strategic about when they turn services on and off. Customer defections across premium streaming services rose to 6.3% in November,

from 5.1% a year earlier.

About one-quarter of U.S. subscribers to major streaming services—a group that in-

cludes Apple TV+, Discovery+, Disney+, Hulu, Max, Netflix, Paramount+, Peacock, Starz; weighted average based on the total subscriber counts of each service

Source: Antenna

cludes Apple TV+, Discovery+, Disney+, Hulu, Max, Netflix, Paramount+, Peacock and Netflix. Please turn to page A2

China's Campaign For More Babies Meets Resistance

Women reject Beijing's efforts to boost rapidly falling population

By LIYAN QI AND SHEN LU

Chinese women have had it. Their response to Beijing's demands for more children? No.

Fed up with government harassment and wary of the sacrifices of child-rearing, many young women are putting themselves ahead of what Beijing and their families want. Their refusal has set off a crisis for the Communist Party, which desperately needs more babies to rejuvenate China's aging population.

With the number of babies in free fall—fewer than 10 million were born in 2022, compared with around 16 million in 2012—China is headed toward a demographic collapse. China's population, now around 1.4 billion, is likely to drop to just around half a billion by 2100, according to some projections. Women are taking the blame.

In October, Chinese leader Xi Jinping urged the state-backed All-China Women's Federation to "prevent and resolve risks in the women's

field," according to an official account of the speech.

"It's clear that he was not talking about risks faced by women but considering women as a major threat to social stability," said Clyde Yicheng Wang, an assistant professor of politics at Washington and Lee University who studies Chinese government propaganda.

The State Council, China's top government body, didn't respond to questions about Beijing's population policies.

Party lectures on "family values" are having little effect, even in rural parts of China.

Outside a mall in Quanjiao, a county in Anhui province, He Yanjing, a mother of two, said she has gotten several calls from community officials to encourage her to have a third child. She has no such plans. The preschool her son attended cut the number of classrooms in half because there aren't enough children to fill them, she said.

Her friend, Feng Chenchen, the mother of a 3-year-old girl, said relatives are pressuring her to have more children. Please turn to page A10

INSIDE



JASON GAY

Michigan stared into the abyss of another playoff semifinal loss—and persevered. **A14**

The Secret Government Mission In D.C.: Taking Out Deer

U.S. deploys sharpshooters and night operations in campaign against Bambi

By ANDREW DUEHREN

WASHINGTON, D. C.—For more than a decade, the U.S. government has been waging a secretive campaign against restive local insurgents, deploying a team of highly-trained specialists with license to kill.

The location: a marquee

park in the U.S. capital. The target: white-tailed deer.

The rapidly multiplying deer are gobbling up the native vegetation in Rock Creek Park, a onetime stonping ground for Teddy Roosevelt that spans much of the city's northwest. For U.S. Department of Agriculture sharp-

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U.S. NEWS

Tesla Trails China Rival In Quarter

Continued from Page One
Has placed a 25% tax on Chinese-made cars, but is expanding globally, including in Europe. That tax is on top of a 2.5% tariff the U.S. imposes on imported vehicles.

Tesla's next generation of vehicles is expected to include a more affordable car. For now, its least expensive car, the Model 3, starts at about \$39,000 in the U.S.

The electric-car market has shown signs of cooling after a period of heady growth that has driven robust profit margins for Tesla.

In the U.S., some automakers are finding that fewer people are ready to go electric than they expected as anxieties about finding enough places to publicly charge persist and higher interest rates make cars more difficult to afford.

Rival electric-vehicle maker Rivian Automotive also on Tuesday said it delivered 50,122 EVs last year, missing Wall Street's expectations. The company's vehicle sales for the fourth quarter fell 10% from the third quarter, despite



Cars at a Tesla location in Colma, Calif. The company sold nearly 485,000 electric vehicles in the fourth quarter of 2023.

an increase in factory output. Its stock fell 10% Tuesday.

Other major car companies are expected to report year-end sales figures for the U.S. on Wednesday.

Abroad, competition continues to intensify in the EV space.

Tesla's share of China's electric-vehicle market has held relatively steady nevertheless, ticking up to nearly 12% in the first 11 months of 2023, from almost 11% a year earlier. Full-year sales figures for the country have yet to be reported.

The company's stock price was little changed Tuesday, falling 0.02%.

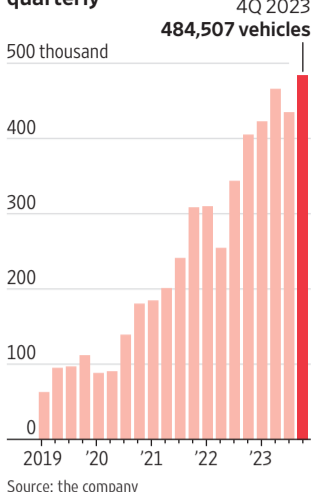
Tesla shares roughly doubled in value in 2023 as the

company slashed prices to juice demand and Wall Street regained confidence in the company's ability to execute on its longer-term plans.

Tesla aims to develop autonomous cars and halve production costs for its next generation of vehicles, which is widely expected to include a more affordable car. In the near term, many investors are bracing for a tougher year ahead.

Tesla delivered its first Cybertruck pickup trucks to cus-

Tesla vehicle deliveries, quarterly



Source: the company

as of the third quarter had fallen more in line with other major automakers.

Some on Wall Street question how much more room Tesla has to grow without another less expensive car in its lineup. Its Model 3 sedan and Model Y crossover made up 96% of Tesla's global deliveries last year.

Starting in January, Tesla's entry-level and midtier variant of the Model 3 no longer qualify for a \$7,500 federal tax credit, as restrictions tighten on EVs with battery components made in China.

"In the very near term, we think worries over 2024 growth could dampen investor sentiment somewhat, especially considering the meaningful downside risk to next year's earnings," Deutsche Bank analyst Emmanuel Rosner wrote in a note to investors about Tesla before the new year.

Wall Street expects the company to sell around 2.1 million vehicles globally in 2024, according to FactSet.

In 2023, Tesla grew at a faster pace than the global EV market, which expanded an estimated 33%, according to GlobalData. Tesla is scheduled to report year-end financial results on Jan. 24.

Wall Street expects Tesla's annual profit to slide about 26% to \$9.3 billion, according to FactSet. Analysts forecast revenue will rise around 20% to \$97 billion.

BYD topped Tesla as the largest seller of EVs on a quarterly basis.

tomers late last year, a milestone for a company that hadn't rolled out a new passenger-vehicle model in three years.

However, Chief Executive Elon Musk has warned that the process of ramping up factory production of the futuristic truck is likely to be arduous and expensive. The company didn't disclose how many Cybertrucks it sold in 2023.

Meanwhile, Tesla's price cuts over the past year have squeezed the company's once industry-leading operating margin, which

Streaming Subscribers Cancel More

Continued from Page One
Starz—have canceled at least three of them over the past two years, according to November data from subscription-analytics provider Antenna. Two years ago, that number stood at 15%, a sign that streaming users are becoming more fickle.

"With the streaming services increasing their rates like they are, it's, like, 'OK, do I pay for the cable?'" Revis, who is in her 40s, said of deciding what home entertainment to select.

Under pressure to improve profitability and avoid having to reacquire users, streamers are trying a range of tactics to retain customers, from launching lower-cost ad-supported tiers of service, to teaming up with rivals on bundled deals and providing discounts or free months of service.

Revis planned to cancel Hulu, home to shows such as "Faraway Downs" and "Only Murders in the Building," but decided to keep it because the service offered her six months of its ad-supported service for \$2.99 a month, less than half of its typical \$7.99-a-month price.

Beni Goldenberg, 48 years old, downgraded some services to control costs. In 2023, he switched from a \$22.99-a-month premium Netflix plan to its \$15.49-a-month standard plan, limiting the number of devices that can watch the



'Leave the World Behind' on Netflix, which has long had the lowest rate of customer defections among major streamers.

service at the same time and lowering the viewing resolution. Netflix has long had the lowest rate of customer defections among major streamers.

Goldenberg cancels sports add-ons to his YouTube TV subscription when events are over.

"I'm focusing on the ones that me and my family watch the most," said the father of two in North Texas, who typically watches movies and TV shows on Disney+ with his family on Friday nights.

Some customers who turn off a service return to it later, according to Antenna.

One in four people who

cancel a premium streaming service typically resubscribes to that service within four months, and one in three does so within seven months. Half do so within two years.

"Retention doesn't just mean holding on to a new subscriber the first time they get them. It's about managing a relationship over a true customer lifetime," said Jonathan Carson, co-founder and chief executive of Antenna. Antenna compiles data from third-party services that collect information from consumers, with their consent, such as online purchases, bills and banking records.

Streamers will have to become more sophisticated about when they try to win back customers, he said. For example, they might target ads and marketing efforts at people who tend to watch at a certain time of year.

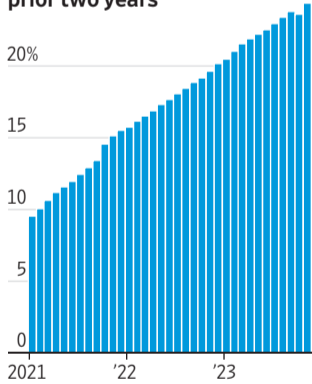
Ad-supported plans offer streaming services a way to attract new customers and win back those who canceled their subscriptions and want to pay less.

Among the U.S. customers who joined Disney+ for the first time in November or converted from a trial, nearly 60% opted for the ad-supported tier. That figure was bolstered by Black Friday promotion and is up from 25% in December 2022, when the ad tier was launched.

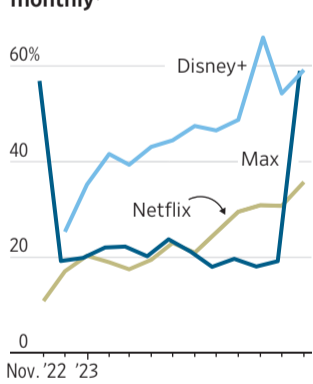
More than one-third of new U.S. Netflix customers in November opted for the ad tier, compared with 11% a year earlier, when the ad-supported version was introduced. Streamers have said ad-supported plans are a win-win for them and price-sensitive customers, bringing in revenue from monthly subscriptions as well as ad sales.

Some rivals have begun bundling their ad-supported tiers of service, offering a discounted rate in the hopes that customers see value in the offering and stick around longer.

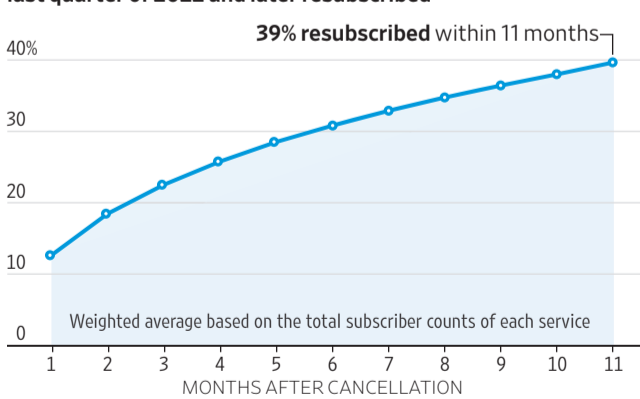
Share of customers who have canceled three or more major streaming services in the prior two years*



Share of gross subscriber additions that signed up for an ad-supported tier, monthly†



Percentage of customers who canceled a major streamer in the last quarter of 2022 and later resubscribed*‡



Note: U.S. customers only

*Includes Apple TV+, Discovery+, Disney+, Hulu, Max, Netflix, Paramount+, Peacock, Starz. †Max offered a discount on its ad-supported tier in November of 2022 and 2023. Disney+ offered ad tier discounts in September and November. Gross additions include new customers and those who converted from trials. ‡Measures aggregate cancellations in a quarter and how long it takes customers to resubscribe to the same service. Source: Antenna

Verizon in early December began offering some of its customers a bundle that includes the ad-supported tiers of Netflix and Max for about \$10 a month, instead of about \$17.

Warner Bros. Discovery CEO David Zaslav has said bundling is an important part of the business's future and can provide a good customer experience.

Disney has said customers are less likely to cancel its streaming service when they pay for its bundle of Disney+, ESPN+ and Hulu.

Brendan Byrne, a 40-year-

old father of four in the Boston area, pays for streaming services including Netflix, the Disney bundle, Amazon Prime Video and Paramount+, in addition to cable, but is starting to question the value of some of those subscriptions.

After the 2023 Hollywood writers and actors strikes, "the lack of content is evident across all of these streaming things right now," he said.

"We'll cut back on a few of them," Byrne said. "We're just not using them."

—Nate Rattner contributed to this article.

U.S. Asks Court to Rule on Border Wire

By JESS BRAVIN AND ELIZABETH FINDELL

WASHINGTON—The Biden administration asked the Supreme Court Tuesday to reinstate federal authority over the international boundary between Mexico and Texas, after state officials won a lower court order blocking the U.S. Border Patrol from removing concertina wire Texas officers installed to deter migrants from crossing a 29-mile stretch of the Rio Grande.

The move represents another volley in the increasing conflict between Texas and the federal government over border enforcement. State troopers and National Guardsmen deployed by the state laid miles of razor wire as part of the state's Operation Lone Star border-security effort. The operation has spent or allocated more than \$11 billion since 2021, with limited efficacy, and has sought to challenge the federal government's sole authority over international borders.

In court papers, U.S. Solicitor General Elizabeth Prelogar argued that Congress had given the Border Patrol extensive power to enforce immigration law within 25 miles of the border, including the right to enter private property without a warrant. State governments, she wrote, have no power to displace federal authority the Constitution commits to Washington.

In New Orleans last month, the U.S. Court of Appeals for the Fifth Circuit sided with Texas, which sued the U.S. Department of Homeland Security under state trespass laws and other grounds after Border Patrol agents cut through some of the barbed wire placed by state officials. Although the government generally is immune from lawsuits, the Fifth Circuit concluded that Congress had waived that immunity and said the Border Patrol couldn't remove the wire while the litigation proceeds.

"The public interest supports clear protections for property rights from government intrusion and control," Judge Kyle Duncan wrote for a Fifth Circuit panel.

Prelogar wrote that the Fifth Circuit turned the constitutional order on its head, placing state-law property interests above the federal government's duty to police the international boundary.

"The injunction prohibits agents from passing through or moving physical obstacles erected by the State that prevent access to the very border they are charged with patrolling and the individuals they are charged with apprehending and inspecting," she wrote.

The wire could prevent agents from rescuing migrants from drowning or other perils, she wrote, despite an exception in the order allowing federal agents to remove the obstacle for lifesaving purposes.

Texas Republican Gov. Greg Abbott, in a post on X, said, "Americans & courts will reject Biden's hostility to immigration laws." He said the state would continue to deploy the National Guard "to build border barriers & repel illegal immigrants."

The federal government has the upper hand in a separate legal battle with Texas that has been unfolding concurrently. In that case, the Fifth Circuit last month ordered Texas to remove a 1,000-foot floating barrier deployed in the Rio Grande, after the Biden administration argued it created an illegal obstruction making the river impossible to navigate.

The razor wire fencing drew particular scrutiny in July, after an email from a state trooper became public alleging severe injuries to migrants by wire placed in the river.

The state-federal standoff is set to intensify. Abbott last month signed a law giving state authorities the ability to arrest and potentially deport migrants caught crossing the border between designated ports of entry.

CORRECTIONS & AMPLIFICATIONS

Washougal, Wash., was misspelled as Washgoula in a caption with a Mansion article on Friday about unusual homes.

The U.S. Capitol was attacked on Jan. 6, 2021. A U.S. News article on Dec. 26 about an appeals-court filing on behalf of former President Donald

Trump incorrectly said the date was Jan. 6, 2001.

Israeli Prime Minister Benjamin Netanyahu appeared before a joint session of Congress in March 2015. A Review article on Saturday about U.S. influence over Israel incorrectly gave the year as 2016.

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

THE WALL STREET JOURNAL
(USPS 664-880) (Eastern Edition ISSN 0099-9660)
(Central Edition ISSN 1092-0935) (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036
Published daily except Sundays and general legal holidays.
Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

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U.S. NEWS

Mississippi Left Behind as South Prospers

State is struggling to find workers and stop brain drain while rest of region booms

By CAMERON McWHIRTER

TUPELO, Miss.—This city of about 38,000 in the northeast part of Mississippi highlights the challenges facing the South's least-populous state. Tupelo offers a charming downtown, tourist attractions and a low cost of living. It has an active local economic-development and job-training effort and is close to large state universities.

Yet even this place, far better off than other parts of the state—and a steady draw for tourists as the birthplace of Elvis Presley—is struggling to attract and retain workers. The area has lost population in recent years.

"I love my little town, but if I had the opportunity, I would leave," said Tayolor Witherpoon, 24, a single mother who works part time as a waitress at D'Cracked Egg breakfast restaurant.

Mississippi faces a shrinking-workforce problem—with people of working age on the sidelines and younger people moving away—as it also struggles to attract new residents. Economic and population growth is transforming other Southern states such as neighboring Tennessee.

State and local leaders worry Mississippi's civilian labor-force participation rate—the nation's lowest, at 53.9% in October, compared with 62.7% overall in the U.S.—as well as a substantial brain drain of young people moving away and a shrinking workforce are hurting the state's chances of joining in the region's bonanza.

From the summer of 2022 to the summer of 2023, the U.S. population grew by 1.6 million people, with 1.4 million of them—almost 87%—in the South, according to U.S. Census Bureau estimates. Mississippi gained just over 750 residents during the same period.

Labor force shrinks

By this past October, according to U.S. Bureau of Labor Statistics data, Mississippi's civilian labor force had shrunk 1.4% from a decade earlier, even as the South's workforce overall has grown exponentially. Tennessee's labor force increased almost 11%.

About 12.6% of the state's population under the age of 65 have a disability, compared with 8.9% overall in the U.S., according to Census Bureau estimates. Mississippi's unemployment rate hit record lows in 2023, even as the overall size of its labor force shrank and a large percentage of its residents who were of working age weren't working.

Republican Gov. Tate Reeves, in an interview with The Wall Street Journal, attri-



Tupelo, Miss., the birthplace of Elvis Presley, boasts local charm and a low cost of living, but has lost population in recent years. The state as a whole has gained only a small number of residents. Cedric Hankins makes a wiring harness at Hyperion Technology Group in Tupelo. The company employs 60 people.

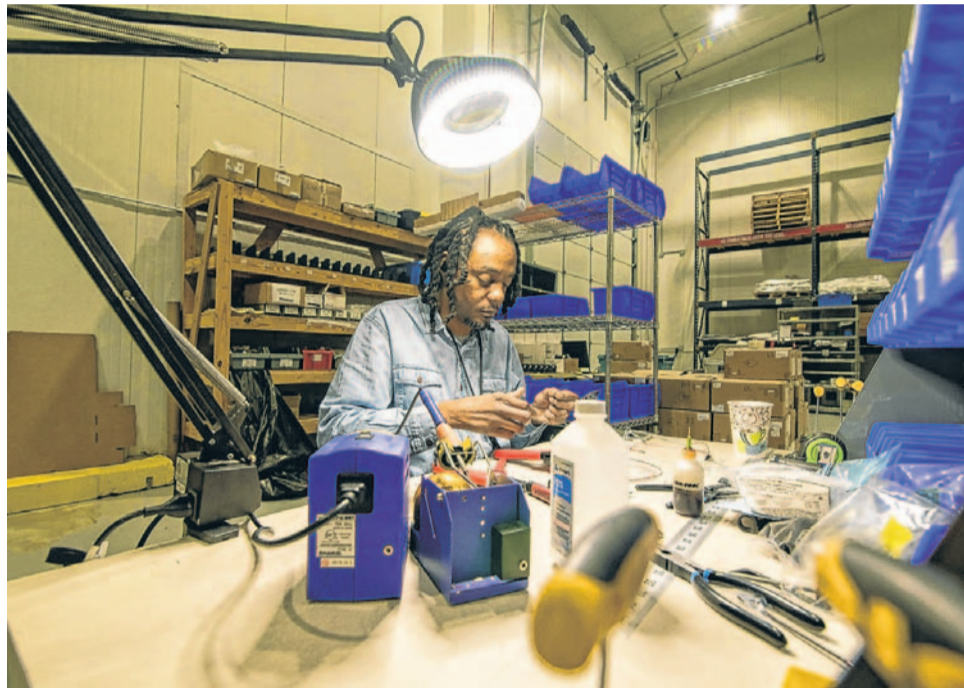
buted brain drain and the low labor-force participation to several factors. He pointed to public employees being able to retire after 25 years while still earning large pensions—and that Mississippi's low cost of living allowed families to earn enough income with only one spouse's holding a job, further reducing labor-force participation.

Reeves also said many millennials want to move to a big city after college and that troubles in the capital city of Jackson, the largest city, have pushed many to leave the state. "What has certainly been a struggle in Mississippi compared to other states is the lack of a major metropolitan area to attract young people," Reeves said, calling Jackson's revitalization a major goal.

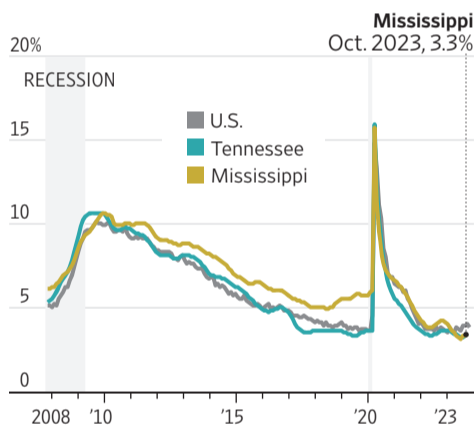
Political battles between Mississippi's white Republican leaders and Black Democratic officials from Jackson have contributed to increased racial tensions. The two sides are locked in a political battle over control of the city's troubled water supply and part of its criminal justice system. It also has a relatively high crime rate.

Reeves said he wants to bring more higher-paying jobs to the state with efforts such as AccelerateMS, the workforce development agency created in 2021. The state needs employees with college degrees, but it also needs a pool of skilled blue-collar workers, including welders and truck drivers, he added.

Bill Cork, executive director of the Mississippi Development Authority, questioned some of the bleak federal statistics about the state, but said bringing more Mississippians into the workforce was a big challenge. He pointed to Mississippi's relatively high percentage of people who are incarcerated and who are on public assistance as factors in the state's low civilian labor-force participation rate. The

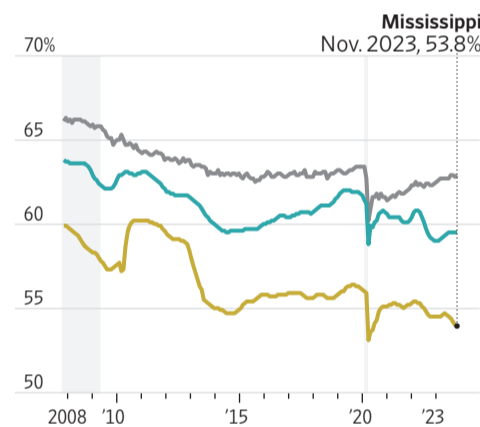


Unemployment rate



Note: Seasonally adjusted
Source: U.S. Bureau of Labor Statistics

Civilian labor force participation rate



state has had one of the highest poverty rates in the nation for years, according to federal data.

Drawn elsewhere

About 24% of Mississippi residents 25 years or older hold some kind of college degree, more than 10 percentage points below the national average, according to data from the

Census Bureau. Only about half of the graduates from Mississippi's public universities work in the state three years after graduation. Many leave for growing metropolitan areas in other parts of the South, according to the office of Shad White, the state's Republican auditor, whose office has studied the brain drain problem.

"We might as well cut a check to Atlanta every year,"

White said of Mississippi taxpayers.

Some positive signs have appeared. **Steel Dynamics** said in 2022 it would invest \$2.5 billion in the state, creating 1,000 jobs in eastern Mississippi, south of Tupelo. The state won projects totaling \$5.4 billion in capital investment in 2022, a record amount, according to the Mississippi Development Authority.

Mississippi has seen increased corporate investment, some improved school test scores and other hopeful signs in recent years. The state and local agencies also have launched and expanded workforce-development programs.

Famous as the boyhood home of the king of rock 'n' roll, Tupelo has a relatively low cost of living and a lower crime rate than other parts of the South.

Universities close by

Tupelo sits close to large state universities, the University of Mississippi in Oxford and Mississippi State University in Starkville, which produce thousands of graduates each year. Some settle in the area. The region has suffered job losses in its once-healthy furniture-manufacturing sector, but a nearby Toyota plant, opened in 2011, has brought good-paying jobs and spinoff businesses.

Still, Tupelo faces challenges on the road ahead: Census estimates show the city lost population in 2022 since 2020.

A furniture company with headquarters in the area closed in 2022, putting 2,700 people—including many in Mississippi—out of work.

Tupelo can tout the success of **Hyperion Technology Group**, which focuses largely on developing highly sensitive acoustic equipment for defense agencies and law enforcement. President and co-founder Geoff Carter said the 60-employee company raised salaries and provided stronger benefit packages to match what competitors in other parts of the country are offering.

Carter said he gets offers to buy his company and move it out of state every week, but he has no plans to do so.

—Harriet Torry contributed to this article.



The crash scene in Rochester, N.Y., early Monday, after a rented sport-utility vehicle plowed into concert traffic.

No Terrorism Link Found in SUV Crash

By ALYSSA LUKPAT AND GARETH VIPERS

The FBI said there was no evidence the driver in Rochester, N.Y., who plowed into concert traffic on New Year's Eve in a sport-utility vehicle filled with gas canisters was engaged in terrorism.

A 35-year-old man driving a rented SUV intentionally sped up toward the concert traffic outside the Kodak Center in Rochester and killed two passengers in the back of a ride-share vehicle, Rochester Police Chief David Smith said at a news briefing Tuesday morning.

At least nine pedestrians were injured, including one who Smith said had "life-altering injuries." Nearly 1,000 concertgoers had been leaving shortly af-

ter midnight Monday following a New Year's Eve performance by the rock band Moe.

The SUV, a Ford Expedition, burst into flames that took nearly an hour to extinguish, police said.

A joint terrorism task force from the Federal Bureau of Investigation is investigating the episode, along with the Rochester police and federal and local arson investigators.

Officials said off-duty police officers tried to render aid to the SUV driver, identified as Michael Avery. Avery was taken to a hospital and died Monday night. The police said he was from the Syracuse, N.Y., area about 75 miles east of Rochester in Upstate New York.

Avery didn't leave a suicide note and investigators don't know his motive for the crash,

Smith said. Still, the police said they didn't believe Avery was motivated by political or social biases or that anyone else was involved.

His family told investigators he might have had undiagnosed mental-health issues.

The police on Tuesday laid out a time line of Avery's actions before the crash.

Avery drove to Rochester in his personal vehicle around Dec. 27 and checked into a hotel in the neighboring town of Greece, Smith said. Two days later, Avery rented the Ford Expedition he used in the crash. The next day, on Dec. 30, he traveled through the area buying gasoline and gas containers.

Moe, the rock band that played the concert, expressed condolences on Monday for the victims.

"Last night's events outside the Kodak Center have left us all in profound shock and sadness," the band said. "On a night that was meant for celebration and togetherness, we are faced instead with a tragedy that defies understanding."

A representative for **Eastman Kodak**, which owns the Kodak Center, didn't return a request for comment on Tuesday.

Rochester Mayor Malik Evans said at the news briefing that officials didn't know why the driver targeted the city or the Moe concertgoers.

"They were expecting to be able to ring in the new year and have a good time," Evans said, "but instead we have individuals that are now going to be burying family members."

Trump Campaign Asks Maine Court to Reverse State-Ballot Exclusion

By JACOB GERSHMAN

Donald Trump's campaign on Tuesday asked a Maine court to reverse last week's decision by the state's top election official to remove the Republican front-runner from the presidential ballot.

Trump's legal team filed a suit in Kennebec County Superior Court defending his eligibility for office and challenging the authority of Maine's secretary of state to disqualify him from its primary contest.

Maine's Democratic secretary of state, Shenna Bellows, issued a written decision Thursday finding that Trump incited an insurrection at the Capitol on Jan. 6, 2021.

His actions, she held, disqualified him from a second term under the 14th Amendment, which bars from public office those who swore to defend the Constitution and then "engaged in insurrection or rebellion" against the U.S.

Her decision came days after Colorado's highest court ruled that Trump is ineligible

for that state's ballot because of his actions on Jan. 6.

"The Secretary made multiple errors of law and acted in an arbitrary and capricious manner; and President Trump will be illegally excluded from the ballot as a result of the Secretary's actions," Trump's lawsuit in Maine stated.

Trump's lawyers argued Bellows is a biased decision maker and that she has no authority to consider constitutional challenges to Trump's eligibility. State law, his lawyers said, limits the secretary of state's review to questions about a candidate's residence and party designation. State authorities in general aren't empowered to enforce the 14th Amendment disqualification provision without legislation from Congress, his lawyers said.

They also argued that the provision may not be applied to a former president and disputed that Trump actually engaged in an insurrection.

"I have confidence in my decision and in the rule of law," Bellows said Tuesday.

U.S. NEWS

Voters in Pivotal Counties See Flawed Options

Tony Grauslys, a 56-year-old merchandiser from Hudson, N.H., is upset that lawmakers focus on other countries' problems when America can't fix its own.

By Ken Thomas in Saginaw, Mich., Catherine Lucey in Freemansburg, Pa., Eliza Collins in Manchester, N.H., and Paul Overberg in Washington

Marvin Jenkins, 60, a retired state trooper in Saginaw Township, Mich., worries that both leading presidential candidates are too old. Juliet Will-Robinson, 38, a graduate student from Freemansburg, Pa., wishes there was a viable third-party alternative.

The three voters live in counties that will have outsize influence in deciding the winner of this year's presidential election. Michigan's Saginaw County, Pennsylvania's Northampton County and New Hampshire's Hillsborough County are three of just 25 U.S. counties that have backed the presidential winner in each of the past four elections, making them enclaves of partisan flexibility in a country where many places are firmly red or blue. They are among the seven such counties that sit inside contested battleground states that will decide who wins the White House this year.

Collectively, Americans in the 25 counties that have swung with the electorate on average have lower median incomes and lower levels of education than the U.S. on the whole, census data show. They are older, more likely to be white and disproportionately live in smaller cities and rural areas. Nearly half of these counties have seen their populations shrink in recent years.

What most of these counties have in common is they are largely removed from America's major economic and cultural power centers. They are home to a graying America where residents worry that the country's best days are behind it. These voters want a candidate who will propel America forward but instead see flawed options and few fresh ideas.

Interviews with dozens of voters in Saginaw, Northampton and Hillsborough counties reflect a broader frustration with America's trajectory and a desire to

break the logjams that impede progress on the country's economic and social problems. They suggest that to win re-election, President Biden must convince voters he would get prices under control if given a second term and prove he has the stamina for another four years in office. For Donald Trump, the leading Republican candidate, his path to victory in these places rests on showing he can restore the smoothly functioning economy that America enjoyed before the pandemic opened it while keeping his impulsive personality in check.

Tim Smith, a 53-year-old draftsman from Bethlehem, Pa., who isn't registered with either party, said he backed Biden in 2020 and feels like the president hasn't done much to help him.

"I'm paying \$28 for a bag of cat food," Smith said. He would consider supporting a moderate Republican over Biden, but said that Trump's "authoritarian tendencies worry me."

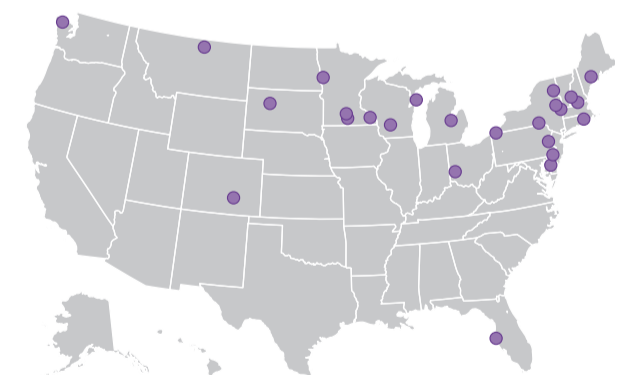
The 2024 presidential contest likely will pit an 81-year-old Democratic incumbent with historically low job-approval ratings who is dogged by persistent worries about his age and leadership against a 77-year-old Republican former president who was rejected by voters in 2020 and now faces 91 criminal charges across four separate cases.

Although Biden is running in a relatively strong economy, with low unemployment and wages that began to outpace prices in the past year, voters remain sour about decades-high inflation under his watch and consider Trump better able to handle the economy, polling shows.

The winning presidential candidate also needs support from key demographic groups that help decide elections: Black voters whose enthusiasm helps power Democratic wins, Latino voters with whom Republicans have made inroads and suburban women who have been drawn to Democrats' support for abortion rights since the fall of Roe v. Wade.

In these pivotal counties, many voters described their expected presidential pick more as a vote against the other party's front-runner than one in favor of the candidate himself.

Counties that have sided with the winner of each presidential election since 2008



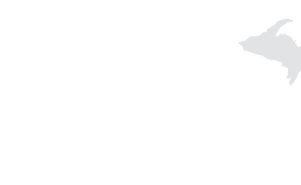
Source: Ballotpedia

In Michigan's Saginaw County, Voters Feel Betrayed by Promises Not Kept

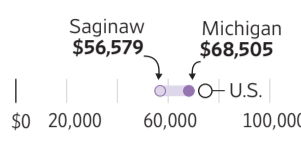
The economic malaise weighing on voters is palpable in Saginaw County, located about 100 miles northwest of Detroit, where a once-robust auto industry and manufacturing sector has withered and the region has lost population in recent decades. At the turn of the last century, incomes were near the national midpoint. Now, median household income, at roughly \$57,000 a year, lags behind the U.S. median of \$75,000.

When Barack Obama racked up big victories in Michigan in the 2008 and 2012 elections, Saginaw's results mirrored his winning margins. But in 2016, the county narrowly backed Trump by about 1% over Hillary Clinton. Four years later, the county saw a boost in turnout and gave Biden a 303-vote winning margin over Trump out of more than 100,000 votes cast. About 10,000 additional votes were cast in 2020 compared with 2016.

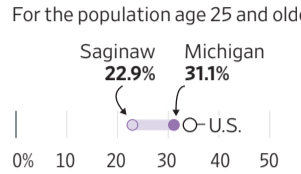
The city of Saginaw, with a large community of Black



Median household income, 2022



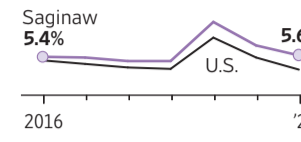
Pct. with bachelor's degree or higher



and union workers, has traditionally elected Democrats while the more rural communities outside the city have backed Republicans.

Longtime elected leaders and political observers here said many voters in the county have felt betrayed by

Unemployment rate



2020 presidential vote

	DEMOCRAT	REPUBLICAN
U.S.	51.3%	46.9%
County	49.4%	49.1%
State	50.6%	47.8%

unkept promises by Washington, tougher economic conditions and turned off by comments such as Clinton's 2016 reference to many Trump supporters as "deplorable."

"They don't take kindly to nonsense," said Ken Horn, a former Republican state law-

Prevailing Sentiment Is Frustration in Northampton County, Pa.

Northampton County is tucked in eastern Pennsylvania, about 70 miles north of Philadelphia. This manufacturing region hadn't supported a Republican for president in more than 25 years before backing Trump in 2016, part of the Great Lakes shift that helped deliver him the presidency.

In 2020 the county swung to Biden, who clinched it by just 1,200 votes out of just over 170,000 cast. Turnout was up in 2020, with 27,000 more votes cast than in 2016.

Jeff Wiedecke, a 61-year-old sales manager and registered Republican, said he would prefer Florida Gov. Ron DeSantis because "people will vote against Trump because they hate him." He said he

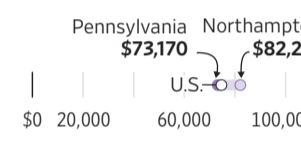
would like to see a ticket with DeSantis and former United Nations Ambassador Nikki Haley, but he will back Trump again in 2024 against Biden. "If it wasn't for the pandemic, he would have easily been re-elected," he said.

A prevailing voter sentiment in the county is frustration.

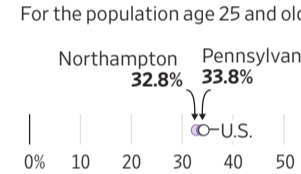
"I hate both sides right now. Neither of them are accomplishing anything," said graduate student Juliet Will-Robinson, 38, from Freemansburg, Pa. "I would like another option, but only if it is a viable option. With how polarized everything is, every vote counts." If 2024 comes down to Biden-Trump, she will back Biden again as she did in 2020, she said.



Median household income, 2022



Pct. with bachelor's degree or higher



maker and county commissioner from Saginaw.

The ballot here and in other states could end up including Robert F. Kennedy Jr. and Cornel West running as independents, as well as Green and Libertarian party nominees and a possible candidate from the centrist group No Labels.

Marshall Thomas, a Democrat who spent decades as basketball coach and athletic director at Saginaw High School, said during breakfast at the Bringer Inn, a popular Saginaw diner, that he plans to vote for Biden and could never vote for the GOP front-runner. "Trump scares me, and he scared me before Jan. 6," he said, referring to the 2021 riot in the U.S. Capitol following Biden's election.

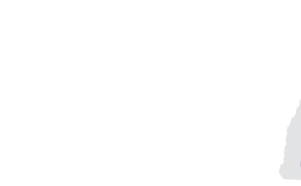
Thomas said he worries that a Biden-Trump rematch could lead to voter apathy. "There are a lot of people saying because it's possible it's going to be Trump and Biden, they won't vote," Thomas said. "My look at that is that's automatically a vote for Trump."

New Hampshire's Hillsborough County, with just under half a million people in the south-central part of the state, is home to Manchester and Nashua—New Hampshire's two biggest cities—and surrounding suburbs, as well as large stretches of rural land. Nine of 10 residents are white.

Voters here picked Trump in 2016 by just over 400 votes out of nearly 211,000 votes cast. In 2020, they selected Biden by more than 40 times that, and 20,000 more people voted that year.

The prospect of a rematch has voters here looking for an alternative—and they get to see most of their choices up close, since New Hampshire is the second state in the GOP presidential-nominating process. Presidential hopefuls have been making their pitch here for months.

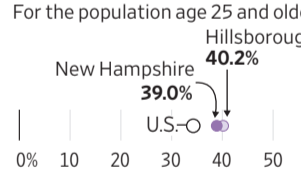
Maureen Franklin, 70 years old, a retiree and independent voter from Nashua, voted for Trump in 2020 but said she would write in a candidate if it were between Trump and Biden this time. "I agree with



Median household income, 2022

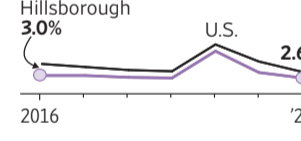


Pct. with bachelor's degree or higher



a lot of his policies, but it's just too much," she said about Trump, concurring with a friend who described him as "chaotic." The women were attending a town hall for former New Jersey Gov. Chris Christie, who is running a long-shot campaign for the

Unemployment rate



2020 presidential vote

	DEMOCRAT	REPUBLICAN
U.S.	51.3%	46.9%
County	53.0%	45.3%
State	52.9%	45.5%

ferent Republican would have a better chance of winning. "All I know is my 401(k) was doing great, gas prices were low. It seemed like the market, the economy was churning along," he said of when Trump was in office. "We need to start looking internally, fixing internal problems, not worrying about sort of these Third World countries that just hate us anyhow."

During Biden's term, inflation reached 9.1%, its highest in more than four decades, but has since plummeted to 3.1%. The labor market has been strong with low unemployment, and wage growth began surpassing prices in the past year. Stocks have reached record highs.

Rep. Chris Pappas, a Democrat who represents the district, said voters were independent and willing to split their tickets. He said Democrats need to focus on listening to voters about their concern over the economy, even if recent data show an upswing. "I think this should not be about taking a victory lap," he said.

Harvard President Resigns

Continued from Page One

Gay becomes the second university president, after Liz Magill at the University of Pennsylvania, to resign following an appearance in front of Congress to discuss antisemitism on campus. Members of Congress tried to take credit Tuesday for Gay's resignation, as did conservative activists who amplified the plagiarism accusations.

U.S. Rep. Elise Stefanik (R., N.Y.), who asked three college presidents during the Dec. 5 hearing to answer "yes" or "no" to whether calls for the genocide of Jews violate school policies, called Gay's resignation a personal victory.

"I will always deliver re-

sults," Stefanik, a Harvard alumna, wrote on X on Tuesday.

Harvard named Gay as its new president a year ago and she took on the role in July. She was the second woman and first Black person to lead the university. Alan Garber, Harvard's provost, will take over as interim president.

"It has become clear that it is in the best interests of Harvard for me to resign so that our community can navigate this moment of extraordinary challenge with a focus on the institution rather than any individual," Gay wrote in her resignation letter.

Gay, a professor of government and of African and African American studies, took on the top job after serving as dean of Harvard's Faculty of Arts and Sciences for about five years.

After the Oct. 7 Hamas attack on Israel, Gay came under pressure for not swiftly condemning a statement from student groups who blamed Israel for the violence. Her remarks



Claudine Gay says she will return to the faculty at Harvard.

at the House committee hearing on campus tension drew widespread criticism after she said it depended on the context whether calls for the genocide of Jewish people violated the campus code of conduct.

"Amidst all of this, it has been distressing to have doubt cast on my commitments to confronting hate and to upholding scholarly rigor—two bedrock values that are fundamental to who I am—and frightening to be subjected to personal attacks and threats

fueled by racial animus," Gay wrote.

On campus, many students and faculty have backed Gay and saw the push to oust her as driven by outside political forces.

"There are people who are saying in so many words, on the right primarily, that they just wanted to punish Harvard for being 'woke,'" said Tommy Barone, a junior at Harvard College and editorial chair at the Harvard Crimson.

Others at Harvard welcomed Gay's resignation Tuesday. "The

best time for her to have done this would have been after the hearing," said junior Alex Bernat. "The second best time is now." As a Jewish student, Bernat said he felt that the Harvard administration under Gay's leadership failed to sufficiently combat antisemitism.

As criticism of her Congressional hearing comments grew last month, Gay faced an onslaught of accusations that she plagiarized other academics in dozens of instances in several published academic papers, including her 1997 Ph.D. dissertation, which looked at the political significance of Black electoral success in U.S. elections.

The Harvard Corporation said in December that reviews of her work uncovered some instances of "inadequate citation," but that the omissions didn't meet the bar of outright research misconduct. The university said it first learned about the plagiarism allegations in October.

Gay has requested four cor-

rections on two academic papers and is updating her dissertation in three spots, according to the school.

Gay's resignation comes three weeks after the university's governing board issued a statement backing her.

"While President Gay has acknowledged missteps and has taken responsibility for them, it is also true that she has shown remarkable resilience in the face of deeply personal and sustained attacks," the Harvard Corporation wrote in its Tuesday statement, citing "repugnant and in some cases racist vitriol" in emails and phone calls.

—Douglas Belkin, Sara Randazzo and Matt Barnum contributed to this article.

Watch a Video



Scan this code to watch a video on the resignation of Claudine Gay.

U.S. NEWS

Neighbors Battle Monkey Business in Texas

By NIDHI SUBBARAMAN

Texans bought land in Brazoria County looking for solitude. Then they heard about the monkeys.

Last year, a \$12 billion biomedical-research firm quietly bought more than 500 acres of land in a sleepy corner of the county and shared a plan to house up to 43,200 monkeys on the property.

Now, the neighbors want that stopped.

"How much racket does 43,000 monkeys make?" asked Jason Robert, a shrimper who owns about 1,100 acres near the plot. "I'm sure they're not quiet."

"I thought this would be a place to get away from everything," said John Stern, a retired veterinarian who built a retreat on about 900 acres for his family and grandchildren. "Now a monkey farm is my neighbor."

Charles River Laboratories, the new neighbor, housed nearly 19,000 monkeys in half a dozen states in fiscal year 2022, according to U.S. Department of Agriculture records. The company, based in Wilmington, Mass., sells the animals for research and, under contract to universities, biotech and pharma companies, runs tests on the animals in its own facilities.

Primates and other research animals are a vital part of biomedical enterprise, enabling research on human disease and treatments. Primate models have been essential to understanding the virus that causes AIDS and in creating medicines, and during the pandemic, Covid-19 vaccines were tested in monkeys before approval.

But Stern and other neighbors, concerned about their property values, worry the monkeys will spread disease and question how dead animals and animal waste will be handled.

When research monkeys are brought into the country, they are quarantined until cleared by a government veterinarian. In the past five



Ron Koenig is opposing a company's plan to house research monkeys in Brazoria County, Texas.

years, quarantine facilities, which are regulated by the U.S. Centers for Disease Control and Prevention, have reported diseases such as tuberculosis, salmonella and shigella, but a CDC spokesperson said the agency isn't aware of any cases in which infections spread from a monkey at a quarantine facility to workers or surrounding communities.

The land for the Brazoria project was purchased in March by Kandurt LLC, registered in Delaware with a Charles River executive listed as president, according to property records. Several weeks later, a firm working for Charles River emailed a preliminary plan for 43,200 primates to the county.

Robert and Stern said they learned of the plan in September when landowner Ron Koenig called a meeting to discuss maintenance of the private road he and the other neighbors share.

"I called it for association business," said Koenig, who had heard about the mon-

keys from the previous property owners. "It was mostly monkey business."

Standing on the gravel road leading up to their properties, the landowners peppered a Charles River executive who attended with questions and recalled that he said the company intended to be "good neighbors."

But after that meeting, Robert racked his brain for ways to stop the "circus coming to town." He contacted the Houston Zoo, a variety of animal-rights lawyers and People for the Ethical Treatment of Animals, an advocacy group known for campaigning against animal research.

Since early October, PETA has canvassed county officials and conservation groups, and it has mailed more than 4,000 letters to local residents to oppose the project, citing the possible spread of diseases and the possibility of contaminated soil and water.

Lisa Jones-Engel, PETA's senior science adviser for primate experimentation, visited the neighboring properties and

spoke at a county commissioners' meeting in mid-November.

Two weeks later, the Brazoria County Commissioners Court passed a resolution asking federal and state agencies to deny the company permits to bring the animals to their corner of Texas. The nearby City of Sweeny wrote to county officials opposing the facility. Rep. Cody Vasut, who represents parts of Brazoria County in the Texas legislature, wrote to the company stating that the low-lying land is "ill-suited for any significant development" because the area flooded during Hurricane Harvey in 2017 and inundation from future events was a concern. Rep. Randy Weber, who represents the 14th Texas district in Congress, also wrote to express reservations.

The fight arrives as research monkeys are in high demand.

A crunch in the supply—worsened by a Chinese ban on exporting research animals during the pandemic—has scientists concerned that critical

research is being delayed. Overall, USDA data shows, about 113,000 research monkeys were housed in federally funded centers, universities and private facilities in fiscal year 2021, the latest year for which numbers are available.

Alternatives to testing in animals have been developed, such as AI models or cellular constructs in dishes, but science can't yet do without monkeys, the National Academies of Sciences, Engineering and Medicine said in a report issued in 2023.

Research-monkey facilities are regulated by a number of agencies including the USDA, which over a decade has cited Charles River for a handful of infractions such as needed animal-housing repairs. In 2023, the company was subpoenaed as part of a U.S. Department of Justice and U.S. Fish and Wildlife Service investigation into whether monkeys imported from Cambodia were caught in the wild. Charles River has said it is cooperating with the agencies.

In Brazoria County, landowner Robert, who described his Texas spread as "a little piece of heaven," said he doesn't oppose animal testing for medical research. "I just don't think the location is the right fit."

Charles River has heard the neighbors' concerns, said Chief Operating Officer Birgit Girshick.

In a closed-door meeting with elected officials in mid-December, according to those present, Girshick and Charles River representatives described a more modest plan for a quarantine facility with up to 8,600 long-tailed macaques, the species of monkey most popular among drug companies doing research. The company has also told officials it would pause work to evaluate the flood risks.

"At the current time our plans are on hold," Girshick told The Wall Street Journal, expressing regret that the company didn't connect with the community earlier. "We didn't do our job."

U.S. WATCH

SENATE

Indictment Links Menendez to Qatar

Sen. Bob Menendez used his international clout to help a friend get a multimillion-dollar deal with a Qatari investment fund, partly by taking actions favorable to Qatar's government, federal prosecutors said Tuesday in a revised indictment.

The new allegations deepen the legal challenges for Menendez, a New Jersey Democrat, who already was charged with wielding his political influence to secretly advance Egypt's interests.

The superseding indictment in New York said the senator and his wife accepted bribes of gold bars and cash from New Jersey real-estate developer Fred Daibes as a reward for several corrupt acts that included his help securing a major investment from the Qatari fund.

Adam Fee, a lawyer for Menendez, said prosecutors lacked proof of wrongdoing.

—Associated Press

NEW YORK CITY

Earthquake Jolts Neighborhoods

A 1.7-magnitude earthquake that hit New York City early Tuesday may have caused a series of small explosions on an island between Manhattan and Queens, officials said.

The U.S. Geological Survey reported that the quake occurred at 5:45 a.m. near the Astoria section of Queens. There were no reports of injuries or structural damage and no impacts to transit, traffic or utility services, New York City Office of Emergency Management spokesperson Aries Dela Cruz said.

Some residents of Manhattan and Queens reported what sounded like small explosions shortly before 6 a.m. coming from Roosevelt Island, a 2-mile-long strip of land in the East River between the two boroughs.

—Associated Press

FROM PAGE ONE

The Bucks Stop In Washington

Continued from Page One

shooters, who strike at night using silenced weapons, the mission is to control population and protect young plants from too many hungry deer.

But like some U.S. interventions overseas, the effort has had mixed results. Local reaction is less than fawning, while the effect of the culling program on vegetation is still subject to study. "We don't know yet" if it's working, said Nick Bartolomeo, the park's resources, lands and planning manager. "There is a response, but not enough to make a statistical difference. We are having data analyzed."

The animals thrive in environments where human development—and gardens—abut forested areas, and as the human population in the Washington area grew, so too did the deer.

"We've gone from what was a marginal to good deer habitat and ratcheted that up to a fantastic deer habitat," said Earl Hodnett, a former wildlife biologist at the Agriculture Department. "There's no predators, limited hunting pressure and all the food they can possibly eat. The population just takes off in response."

Before he worked for USDA, Hodnett helped establish the deer-management program in Fairfax County, in D.C.'s suburbs. Snipers from the SWAT force would ride in the bed of a pickup truck as Hodnett trawled through a park, scanning for deer with heat-sensing equipment.

The gunmen benefited from working in the heart of America's military-industrial complex. Some equipment, including night-vision scopes, came from Quantico, where Marines train. One particularly talented marksman was eventually recruited by the Central Intelligence Agency, according to Hodnett.

Officials would scout the



Deer in Takoma, a neighborhood of D.C. To some residents, they are a magical sight—to others, a pest.

park ahead of time to make sure no wayward people remained, Hodnett said, with a helicopter sometimes flying over. "If it's raining or snowing and extremely cold and windy, lovers aren't going to be in the park. That's when we would go," he said.

Hodnett said Fairfax County would open up the parks for the public to hunt deer sometimes. Hunting in Rock Creek Park is illegal.

Bartolomeo and a spokeswoman for the Agriculture Department declined to answer many specific questions about how the federal government zaps deer in Washington's signature public park. The National Park Service provides general public information about the operations.

Bartolomeo said officials form a perimeter around the hunts, which happen between November and the end of March to keep civilians away.

But too much public information, Bartolomeo said, could compromise the mission. "We don't want to be doing the operation and have a member of the public pop up," he said. A spokesperson for the USDA said hunts are called off if staff spot a member of the public.

Carol Grunewald, who lives near Rock Creek Park, is horrified by roaming federal agents assassinating Bambi. In the program's first few years, Grunewald and other concerned neighbors would circle at night, searching for signs of the operations. They staged protests nearby, holding signs

such as "Don't Kill Our Deer."

When NPS asked for public comment on its plans to shoot deer in other Washington parks, some suggested the U.S. bring back wolves and other deer-eaters. What could go wrong? Well, reintroducing apex predators would also endanger children and pets, the NPS replied, ruling it out.

To some local residents, the deer are a menace. Charles Fishman, who lives near Rock Creek Park, said the animals use his garden as an all-you-can-eat salad bar. After recently stripping a tree of its foliage, a deer engaged Fishman in a stare-off. "The deer was standing next to the tree looking like 'hmm this was good last night maybe I'll have some more,'" he recalled. "And I went chasing after the deer."

Once deer are downed, the carcasses are tested for disease and then butchered into cuts of venison.

NPS donates the meat to DC Central Kitchen, which cooks it into meals that are distributed to community-service organizations.

The group has received 21,000 pounds of deer meat since 2013, including the most recent donation of 3,000 pounds, said Amy Bachman, the organization's director of procurement and sustainability. Bachman, thankful for the protein-rich donations, said the venison is often cooked into Bolognese or chili.

"We find it works well in the stew-type applications to mask the gamey taste a little bit for folks," she said.

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WORLD NEWS

Russia Steps Up Drone, Missile Attacks

Second big salvo in less than a week puts new strains on Kyiv's air defenses

By IAN LOVETT
AND NIKITA NIKOLAIENKO

KYIV, Ukraine—Russia launched another mass drone-and-missile attack against Ukraine, the latest in a growing campaign to break Ukrainian morale and wear down its air-defense systems.

The barrage of 99 missiles early Tuesday was the second significant salvo in less than a week, after one of the largest missile attacks of the war Friday. The heavy bombardments are putting pressure on Ukraine's stocks of air-defense missiles, which it receives primarily from the West.

Ukraine's air force said 72 of the 99 missiles were shot down, mostly over Kyiv, as were all 35 Iranian-designed Shahed drones. At least four people were killed and more than 90 injured.

Ukrainian President Volodymyr Zelensky, who has been calling ever louder for more military aid, acknowledged his country's dependence on the Western air-defense systems on Tuesday.

"I thank all partners who help in strengthening our air shield," he said. "It's obvious that it helps save hundreds of lives every day and every night that would have been taken by Russian terror if it weren't for Patriots and other defense systems," he added, referring to the U.S.-made



A firefighter in Kyiv on Tuesday battled a blaze in a building destroyed by a Russian missile attack in the center of the Ukrainian capital.

missile system. Zelensky said the majority of the missiles were aimed at civilian sites.

The Russian Defense Ministry said it had targeted drone factories, not civilian infrastructure. It also said a Ukrainian attack on the border region of Belgorod over the weekend had killed 22 people, and that over the previous 24 hours it had shot down 11 Ukrainian missiles.

The recent attacks come at a vulnerable moment for Ukraine, with U.S. and European Union aid packages stalled.

Russia fired 10 Kinzhal ballistic missiles Tuesday and all were shot down, Ukraine's air force said. In Ukraine, only the Patriot systems can shoot down such high-speed missiles.

In December, Japan said it would provide Patriot missiles to the U.S. to replenish stocks.

Russia continues to produce missiles despite predictions they would run out. Ukraine's military-intelligence agency estimates that Russia can each month produce about 100 of two different types of cruise missiles, four Kinzhal

ultrafast ballistic missiles and five ballistic missiles.

Zelensky is trying to keep up morale amid the onslaught. His approval ratings had fallen after last summer's counteroffensive failed to make significant gains.

In addition, the government is preparing to call up as many as 500,000 more people into the military.

In Kyiv and other cities, men are being pulled off the street and taken to recruiting offices, leading some to stay inside all day.

Damage was substantial around Kyiv on Tuesday for the second time in less than a week. The mayor, Vitali Klitschko, said one of the missiles set fire to a high-rise building, killing one person and hospitalizing 37 others.

"Morale is heavier than a year ago," said Oksana Dotsenko, 47, who lives nearby and was woken by the missile strike on Tuesday. "I don't believe in miracles much anymore. Now it's obvious to me that this war will last a long time."

Still, residents said the strikes were designed to hit their morale and, if anything, underscored that they couldn't negotiate with Moscow.

"Of course we are tired of the war and the shelling," said Anastasia Klimenko, 39. "But what can we do but fight? Negotiate with the Russians? If we give in to their terms because we're tired, it'll be the greatest mistake in the history of our country."

—Ann M. Simmons
contributed to this article.

Quake Death Toll in Japan Rises as Search Continues

By MIHO INADA

The smoking ruins of what was a popular market for tourists and a seven-story building lying on its side testified to the destruction left by a New Year's Day earthquake in Japan that killed at least 62 people.

The city of Wajima in Ishikawa prefecture on the Japan Sea coast suffered some of the worst damage from the magnitude-7.6 quake. Japan's military was mobilized along with police and fire units to deliver relief supplies and try to rescue people.

The Wajima morning market normally features local

producers selling fresh seafood, vegetables and handmade crafts including the traditional lacquerware known as Wajima-nuri. The market, which is also popular among foreign tourists, was closed for the New Year holiday when the quake hit.

On Tuesday, the area in and around the market was completely burned out, and smoke rose from the rubble.

A local fire department official said there were more than 200 shops and houses in the affected area. Information on casualties at the market wasn't available.

The earthquake also caused a tsunami of up to 4 feet, but no casualties were reported.

Japan's public broadcaster NHK warned people near the coast to evacuate immediately after the quake, drawing on the lessons of the March 2011 earthquake in northeastern

Japan, when thousands of people were killed by a tsunami.

The violent shaking from the quake was the main cause of damage. Many old wooden houses collapsed and trapped people inside. Ishikawa prefecture said at least 62 people died in the quake and the toll was likely to rise.

In Wajima, a seven-story building fell onto its side. An official at the Wajima Fire Department said people were trapped inside and efforts to remove them were completed on Tuesday, but their condition was unknown.

Prime Minister Fumio Kishida said the government dispatched about 1,000 members of Japan's Self-Defense Forces, as well as disaster-relief teams with police and firefighters to help the affected areas. "Saving and rescuing victims is a race against time," he added.



A deadly magnitude-7.6 quake destroyed homes and buildings in Wajima, Ishikawa prefecture,

Rescue and relief efforts were hampered by extensive damage to roads and the closure of the airport closest to Wajima.

Kishida said the government was trying to make the roads passable and secure sea routes after the tsunami warnings were lifted.

There were tens of thou-

sands of evacuees in Ishikawa prefecture and neighboring Toyama prefecture, said a government spokesman.

At a prefectural public works office in Wajima, more than 170 people were taking shelter even though it isn't a designated evacuation shelter, said Tokishige Kosumi, a manager at the office. The office

had electricity but no running water, and was relying on drinking water from vending machines and food donated by nearby convenience stores, he added.

"Everything is running low—fuel, blankets, food, and water," Kosumi said. "We're waiting for the arrival of supplies."

Passengers Flee Burning Jet After Plane Crash at Tokyo Airport

By MIHO INADA
AND PETER LANDERS

A total of 379 passengers and crew escaped with minutes to spare from a burning Japan Airlines jet after it collided with a Japan coast guard plane at Tokyo's Haneda Airport.

The coast-guard plane exploded and five of the six personnel on board were killed as they prepared to head to an earthquake zone to deliver food, water and other relief supplies.

Videos from inside the Japan Airlines plane posted by passengers on social media showed part of the plane's exterior on fire as it rolled down the runway in Tokyo after arriving at about 5:47 p.m. from Sapporo in northern Japan.

With smoke spreading in the cabin, the passengers appeared calm as they listened to cabin attendants' directions. Passenger videos showed they fled via escape chutes. Flames were visible at the rear of the plane. It took less than 20 minutes for everyone to evacuate safely, a Japan Airlines official said.

Minutes after everyone escaped, the flames spread and soon turned the entire Airbus A350 into an inferno. Firefighters couldn't put out the blaze. It died down hours later.

"After landing, I heard a



The Japan Airlines plane caught fire after colliding with a Japan coast guard plane, which exploded, killing five.

bang and noticed that the fire was coming from the right side," a woman on the Japan Airlines plane told public broadcaster NHK shortly after she reached the terminal. The

cabin then went dark, she said. "The fire grew bigger and bigger, and inside the cabin got hotter and hotter, and I honestly thought I would not make it," the woman said.

A Japanese coast guard official said the pilot reported that his plane, a De Havilland Canada Dash 8 turboprop, exploded after the collision, a blast that also was visible in

video of the event.

The pilot survived with injuries.

Japan Airlines said its plane, a two-year-old Airbus A350, had 367 passengers and

12 crew aboard. The wide-body jet's last recorded ground speed along Haneda's runway was 120 knots or close to 140 mph, according to flight-tracking specialist Flightradar24.

An Airbus spokesman said the company was in contact with the airline, adding that it was sending a team of specialists to assist authorities in their investigation.

At the time of the collision, the coast guard plane was moving on a runway, preparing to take off for Niigata prefecture on the Japan Sea coast, officials said. The Japan Airlines plane, arriving on the same runway, collided with the other plane and kept going until stopping farther down the runway, they said.

A Japanese Transport Ministry official said it was too soon to determine the cause of the collision. One focus of the probe will be the pilots' interactions with air-traffic controllers, "which would relate to the cause of the accident," he said.

Watch a Video

Scan this code to watch a video on the plane fire at the Tokyo airport.

WORLD NEWS

Legal Case Takes Shape Against Hamas

Israeli officials are collecting evidence of murder, sexual violence and torture

By ANAT PELED AND RORY JONES

NIR OZ, Israel—Eitan Cunio heard the militants enter his house and watched as gasoline seeped under the door of the safe room where he sheltered with his wife and two children.

His 1-year-old daughter was crying as the family's home in Kibbutz Nir Oz was set alight and smoke began entering the room. Cunio put wet sheets at the bottom of the door and told his family they would stay inside rather than be killed or kidnapped. If we die, we die together at home, he said.

Before passing out, Cunio sent a tearful voice note to a friend in his community: "Brother, it's horrible. We are going to die."

Months have passed since the October day Israelis call Black Sabbath, when Hamas-led militants rampaged into Israel from Gaza, an attack that officials say killed some 1,200 people and included acts of torture, mutilation and sexual violence. Israeli investigators are now using some 200,000 photographs and videos and 2,000 witness testimonies to reconstruct what happened, with an eye toward building a legal case against those responsible that would meet international standards and provide a definitive historical accounting of the Oct. 7 attack.

'Unprecedented'

Reporters from The Wall Street Journal examined some of that evidence, supplemented with interviews of first responders, survivors, families of victims and forensic scientists, to document an attack that Israeli Police Commissioner Kobi Shabtai described as "systematic and unprecedented in its cruelty."

Forensic evidence shared with the Journal by Israeli officials shows some victims were burned alive after militants used accelerants to set fire to their homes. Photos viewed by the Journal taken by first responders on the scene show bodies were mutilated including the sex organs of both men and women. The bodies of women and girls showed various signs of sexual assault, and recently at least three female survivors have come forward to say they experienced sexual violence.

Hamas officials have denied their fighters killed children and raped women.

Israel's investigation is expected to yield a trial that would be the country's most significant since the early 1960s, when Israel captured, tried and hanged former Nazi official Adolf Eichmann for his central role in the Holocaust.

"The state of Israel has



Sabine Taasa and sons Shay, left, and Koren in a donated apartment. Below, a baby portrait in the ruins of the Cunio home.

never before dealt with crimes and an investigation on this scale," said Roi Sheindorf, former deputy to the attorney general. "This will be one of the most important trials to take place in Israel."

The Israeli police are examining testimonies from captured militants, footage from cameras obtained from them, social media, and vehicle dashboards and security cameras throughout southern Israel, as well as materials seized in Gaza.

One challenge for the investigation, legal analysts say, is that the collection of forensic evidence was limited in the aftermath of Oct. 7, while the Israeli military was engaged in combat in the area for days after the attack.

More than 21,000 Palestinians have since died in airstrikes and fighting between the Israeli military and Hamas, most of them women and children, according to Palestinian health authorities. The number doesn't distinguish between civilians and combatants.

Preserving history

An accompanying goal of Israel's investigation could also be preserving history, much like the Eichmann trial laid out Nazi Germany's Final Solution to the world and began a process for witnesses to come forward en masse to speak of the horrors they experienced.

Israel has identified about 800 dead civilians from Oct. 7, including 37 minors under the age of 17.

Dead bodies were taken to an Israeli military base where they were processed and those that were unidentifiable sent to the National Center of Forensic Medicine, which took fingerprints, conducted X-rays and CT scans and removed tissue for DNA extraction.

Scans revealed signs of torture and execution, according



to Dr. Chen Kugel, head of the forensics center. In some cases, the center found soot in the trachea, indicating people were burned alive as they inhaled smoke before bodies charred, he said. Others were burned after they were already dead.

One scan of blackened remains viewed by the Journal revealed two spines and two rib cages belonging to a child and an adult who were bound together with metal wire and burned alive, Kugel said.

Militants posted videos of some of the killings and kidnappings on victims' social media pages, where friends and family watched.

New details about sexual violence also are emerging.

One witness saw militants gang rape a woman and then cut off her breast, according to police testimony viewed by the Journal. First responders said they saw signs of sexual violence, including women found naked or with their underwear pulled down or tops removed.

The Journal saw images taken by a first responder of a naked woman with a knife and three nails in the crotch area,

women whose clothing was partially or entirely removed and women with blood from the crotch area. In another image provided by the first responder, a woman's breast was almost entirely sliced off.

Shari Mendes, 62, a reservist in the Israeli army who helped identify bodies after Oct. 7, said people were shot in the head so many times they were disfigured.

Three miles east from the Gaza border in Kfar Aza, a community of 950, militants on paragliders landed in a sports field where later that day residents planned an annual kite-flying festival.

The festival, which over the years became a peace gesture to Gazans, was organized by Aviv Kutz, 53, his wife Livnat, 49, and their three teenage children. They hoped that Gazans would see the kites and fly their own in return, according to Aviv's father, Benny Kutz.

The family had eaten dinner together the night before, a rare luxury as the children lived away from home. Rotem, 18, was serving in the army and Yonatan, 16, and Yiftach, 14, were at boarding school.

The family was one of the first to die on Oct. 7. Before 6.30 a.m., militants entered their home and shot all five members of the family as Aviv hugged everyone, trying to shield them, according to a body-collection volunteer and Benny Kutz.

Around the same time in Netiv HaAsara, another Israeli community on the Gaza border, Sabine Taasa said she heard sirens announcing rocket fire and scrambled into her home's safe room with one of her four sons, Zohar, 15.

She closed the windows, turned off the electricity and locked the door. Her youngest sons, Koren, 12, and Shay, 8, were staying with their father, Gil Taasa, around 100 yards away. Another son, 17-year-old Or, had gotten up early and gone to the beach for fishing and surfing about 10 minutes away, she said.

No answer

Sabine phoned Or, who told her he'd found a small shelter at the beach and was waiting inside with a group of young people. She tried calling her former partner, Gil Taasa, to whom she was still married, but received no answer.

Around 7 a.m., Gil Taasa and his two sons ran from his house to a bomb shelter yards from the front door, according to a video camera capturing their movements, which has since been added to a video compilation shown by Israel to world leaders.

Seconds later, a militant threw a grenade inside.

Taasa told his sons not to be scared and jumped on top of the grenade. He died, his limp body slumping out of the entrance to the shelter, according to the video.

Koren and Shay ran back into the house, where a militant entered the kitchen.

"Daddy!" said one of the boys in disbelief.

"Daddy's dead, Shay," Ko-

ren said, according to a video from inside the kitchen.

"I know I saw," Shay said. "I think we are going to die," his brother appears to reply, according to video footage inside their father's home which was included in the video that Israel created.

Shay was badly injured during the grenade explosion and couldn't see out of one eye. Koren attempted to care for his brother's wounds with a wet towel and used Google Translate to try to communicate with two militants.

He pleaded for them to kill him instead of his brother. The militants decided to leave, telling the boys to stay put, adding: "If you move, we will kill you."

At Eitan Cunio's community Nir Oz, the heat and smoke in his shelter had become so intense, he and his wife began to say goodbye to their two daughters, Ofri, 4 and Stav, a year and nine months. They all passed out.

At about 1 p.m., Eitan Cunio regained consciousness as a friend phoned to say he was coming to get them.

With the help of a neighbor, the friend broke into the Cunios' safe room, and pulled the family out of the charred wreckage of their home. Eitan and one of his daughters began to throw up black vomit on the grass outside.

'Open up'

In Netiv HaAsara, Sabine Taasa heard a knock on her door: "Open up, it's me, Koren."

Standing at the door were her youngest sons covered in blood and shrapnel wounds. They had run from their father's house and were on the verge of collapse, according to a video Sabine later took inside her shelter. Her youngest son's eye was full of blood and he had a large wound on the back of his leg.

At least three members of the community's emergency-response team of volunteers soon arrived. Before evacuating, she ran to Gil Taasa's house where she found his body in a pool of blood. Flies rested on his face.

She cried and hugged him, before collapsing herself and being carried away.

Two days later, Sabine Taasa was told her eldest son, Or, was killed by militants in the bathroom on the beach.

Authorities couldn't identify Or's body for 15 days, and only did so after his mother provided the military with descriptions of features including his feet and a birthmark. She wasn't permitted to see his body.

Sabine Taasa provided testimony to the police investigation and now wants justice. Four attackers were captured at Netiv HaAsara, and she is hopeful she will be able to confront Gil Taasa's killers.

"I want to stand in front of them and identify them with my son," she said. "That is Koren's wish."

Militant Leader Dies In Attack

Continued from Page One butted the strike to Israel, and Danny Danon, an Israeli lawmaker who served as the country's ambassador to the United Nations, praised the military and the Mossad spy agency for carrying out the attack.

"Anyone involved in the [Oct. 7] massacre should know that we will reach them and get even," Danon wrote on X, formerly Twitter.

Prime Minister Najib Mikati of Lebanon said his country would submit an urgent complaint to the United Nations Security Council, accusing Israel of violating the nation's sovereignty.

The attack had immediate implications on Israel's efforts to secure the release of more than 100 hostages captured in the Oct. 7 attacks and still being held by Hamas. The group put an indefinite hold on talks in Cairo, Egyptian officials said.

Israeli military officials said they were bracing for retaliatory strikes from Hezbollah and Hamas militants in Leba-



Saleh al-Arouri, a high-profile Hamas founder and leader, was killed on Tuesday in a blast Israel is suspected of carrying out in Beirut, sparking fears of a wider Middle East conflict.

non, which has been the source of near-daily cross-border strikes since early October.

"We are on high preparedness for any scenario," said Rear Adm. Daniel Hagari, an Israeli military spokesman. "The important thing to say tonight is that we are focused and remain focused on fighting Hamas."

The Beirut attack could also complicate U.S. efforts to bro-

ker a diplomatic end to the fighting between Israel and Hezbollah, the influential, Iran-backed militant group and dominant political force in Lebanon. The Biden administration has been trying to secure an agreement with Hezbollah to pull its forces in Lebanon back from the Israeli border, where they have carried out more than 200 attacks that have killed at least six Is-

raeli soldiers and four civilians.

Israeli leaders have repeatedly vowed to carry out a punishing airstrike campaign in Lebanon if Hezbollah doesn't end its attacks. Tuesday's strike raised new concerns that the Iran-backed group would respond with deeper missile strikes into Israel. Before Tuesday's blast, Hezbollah leader Hassan Nasrallah had vowed to retaliate against

any Israeli attack on Palestinian leaders in Lebanon.

After the explosion, Hezbollah called the strike a "serious attack on Lebanon, its people, security, sovereignty, [and] resistance" that would trigger a severe response.

The Biden administration said it was monitoring reports of Arouri's death. U.S. officials vowed to press ahead with diplomatic efforts to resolve the conflict and expressed hope that the blast wouldn't trigger a provocative response.

Izzat al-Rishq, a Qatar-based member of Hamas's political bureau, called the strike a cowardly attack. It "will not succeed in breaking the will and resilience of our people, or in diminishing the continuation of their valiant resistance."

For three months, Israel has been focused mainly on targeting Hamas leadership in the Gaza Strip. So far, Israel has been unable to track down the most important officials, including Yahya Sinwar, the top Hamas leader in the isolated enclave and Mohammed Deif, the group's elusive military mastermind.

Arouri, one of Hamas's highest-profile leaders, was considered to be close to Iran. He worked closely in Lebanon with Qassem Soleimani, the leader of the Quds Force of Iran's Islamic Revolutionary Guard Corps who

was killed by a U.S. airstrike in Iraq in January 2020. The Israeli government has accused Arouri of trying to strengthen ties between Hezbollah and Hamas while planning attacks on Israel from Lebanon.

The U.S. put out a \$5 million reward on Arouri after accusing him in 2015 of funding and directing attacks in the West Bank.

In an interview in September, before the Oct. 7 attacks, Arouri was asked about the possibility that he could be killed by Israel. Arouri noted that top Hamas leaders had been killed by Israel and that his life was no more important than theirs.

The Beirut attack came as Prime Minister Benjamin Netanyahu of Israel met with top ministers who are split on how to tackle the threat from Hamas. Two of Netanyahu's most important far-right coalition members called on the government to develop plans to depopulate the Gaza Strip of Palestinians.

Their comments drew a rebuke from the Biden administration. Matthew Miller, the top State Department spokesman, called the comments "inflammatory and irresponsible."

—Carrie Keller-Lynn, Anat Peled, Abeer Ayyoub and Vivian Salama contributed to this article.

WORLD NEWS

Court Ruling Reflects Splits Among Israelis

BY ANAT PELED AND CARRIE KELLER-LYNN

TEL AVIV—Israel’s Supreme Court ruling on Monday invalidating a law that was at the center of a contentious judicial overhaul is a reminder of the deep underlying divisions in Israeli society put aside during the war in Gaza—tensions that could erupt when the conflict ends.

The law—which was put forth by the government of Prime Minister Benjamin Netanyahu and would have curtailed the power of Israel’s courts—was divisive. It ignited one of the largest and most sustained protest movements Israel has seen, bringing hundreds of thousands of people to the streets over months.

With the country now focused on the conflict in Gaza, which is approaching its fourth month, reaction to the ruling has been relatively muted.

Bitter divisions between Netanyahu and opposition parties are on the back burner. The prime minister heads a cross-party emergency government formed to lead the country during the war, which began after the Oct. 7 attack by Hamas militants on Israel.

But in the wake of the intelligence failure ahead of the attack, Netanyahu’s popularity has plummeted in the polls. Calls for his ouster have increased, raising the risk of snap elections when the war ends.

“Right now it seems that the war overshadows everything,” said Amichai Cohen, a legal scholar at the Israel Democracy Institute. “But the basic tension remains.”

A mid-December poll by the Israel Democracy Institute found that 69% of Israelis want elections immediately after the war ends, including a majority of right-wing voters.

Benny Gantz, a member of the emergency government and a figure some believe could challenge Netanyahu in the next election, has said his current alliance with Netanyahu is based on wartime emergency rather than political alignment.

Netanyahu hasn’t explicitly addressed Monday’s court ruling. His Likud party and its allies decried the decision, but indicated that the fight shouldn’t be reignited during wartime.

“The high court chose its war,” said Simcha Rothman, one of the judicial overhaul’s main proponents, in an interview aired on Israeli television. He and his coalition remain focused on the war, and changes

to the judicial system should be dealt with after that, he said.

Many organizations that led the massive protests against the overhaul have shifted their attention to helping with wartime efforts, such as aiding hostage families.

The law struck down Monday by the Supreme Court would have taken away the court’s powers to abrogate government decisions it deems to be “unreasonable in the extreme.”

Netanyahu and his allies have argued that activist, liberal judges hold sway over the court and that the law would restore a proper balance of power. Opponents say the law would have undermined the court’s role as a check on executive and legislative power and would erode Israel’s liberal democracy.

Roe Neuman, a leader of Kaplan Force, one of the groups that led the protest against the overhaul, lauded the court’s decision but believes the battle over what he sees as the future of Israel’s democracy isn’t over. The government and its allies could try other ways to weaken the independence of the courts and undermine democratic checks and balances, he said.

Gideon Rahat, a political scientist at the Hebrew University of Jerusalem, says protests against Netanyahu were muted for now because of the war and because many protesters are serving in reserves. But “if Netanyahu acts unwisely he will light that match again and then we will see thousands in the streets,” he said.

Some analysts say the ruling coalition’s strategy to weaken the courts could shift to quieter initiatives. The Supreme Court’s composition has shifted rightward, as the government has blocked efforts to replace two liberal justices, who recently retired, with Monday’s ruling expected to be their last major decision. A third liberal justice will retire this year, potentially leaving the court with three vacancies.

A coalition official with knowledge of the matter said there were no immediate plans to fill the court vacancies. No structural changes to the judiciary are in the works during wartime, the official said.

Some analysts, such as Cohen of the Israel Democracy Institute, say the government also could try to quietly undermine the authority of legal advisers—who are embedded within their ministries but are independent of the government—without passing new legislation. The coalition official said that wasn’t part of their plans.



The Tel Aviv plaza dubbed ‘Hostage Square,’ above. Noam Idan Ben-Ezra, below, campaigns for her brother’s return.

Families Band Together for Hostages

BY CHAO DENG AND CARRIE KELLER-LYNN

TEL AVIV—For a full week in late December, Noam Idan Ben-Ezra and more than a dozen other relatives of hostages abducted by Hamas on Oct. 7 camped outside Israeli military headquarters and made their message inescapable.

Once every hour, the families and their supporters blocked vehicles from entering or exiting through the compound’s gate, while one read out the names of the 129 hostages still held in Gaza. The clock is ticking for their loved ones, they said, and Israel’s leaders need to do more to get them back.

Ben-Ezra, who had given up her job as a high-school administrator to fight for the return of her brother, 49-year-old software engineer Tsachi Idan, has been marking every day since his abduction.

“It’s been 77 days. This has to end,” she said.

Families of Israeli hostages, brought together by tragedy and a shared mission, have applied steady pressure on their government to make the return of captives its priority. Most relatives maintain that no Israeli offer to Hamas is too costly if it brings the hostages home. For nearly three months, they have carried out their campaign in the media, in protest gatherings and in meetings with decision makers in Israel and abroad.

On Thursday, representatives of 28 families met with Prime Minister Benjamin Netanyahu, who assured them he was doing all he could. President Biden hosted a smaller group in mid-December at the White House, where he told them U.S. efforts to bring everyone home wouldn’t cease.

Hostage recovery has risen to the top of the Israeli government’s agenda because of the families, said Gideon Rahat, a political scientist at the Hebrew University of Jerusalem.

“If they were not there, maybe the goal of destroying



‘It’s been 77 days. This has to end.’ Noam Idan Ben-Ezra, whose brother is being held hostage

Hamas would be No. 1, and this would be two or three,” he said.

The Netanyahu government must balance the pressure to recover the hostages with its declared goal of eradicating the threat of Hamas—an objective that also enjoys broad support in Israel following the Oct. 7 attack by the militant group on southern Israel.

The families concluded their message to Israel’s leadership was getting through in November when Israel halted its assault on Gaza and set free Palestinian prisoners in a deal that led to the release of 105 of approximately 240 hostages.

When the war with Hamas began, Israeli families were initially grappling with the atrocities of the Oct. 7 attacks and struggling to find out the status of the missing.

Families soon figured out they needed to band together. A group of Israeli lawyers, media strategists and former diplomats stepped up to help. The most immediate need, they determined, was a way for families to find each other and exchange information.

They established a call center, which became a support group, the Hostages and Missing Families Forum.

A collective effort by families to support each other and come up with ways to make their voices heard globally picked up an Israeli tech businessman whose daughter was killed on Oct. 7 donated office space to the Families Forum.

With the help of donations, the Forum spent several million dollars on advertisements on Google and Facebook, volunteers for the group said.

The Forum has organized about 100 international trips for families to meet with officials in Europe and the U.S., as well as the World Health Organization and the United Nations, according to Daniel Shek, a former Israeli ambassador to France.

A five-day walk in November from Tel Aviv to Netanyahu’s office in Jerusalem drew tens of thousands of supporters. Many families saw it as a turning point because a few days later, Israel struck the deal with Hamas to release dozens

of women and children.

The families’ campaign can be seen throughout Tel Aviv, with posters on street corners and in the airport arrivals terminal. A plaza in front of the Tel Aviv Museum of Art is now known as “Hostage Square,” with crowds, speeches and music every Saturday.

The slogan “Bring Them Home Now” and paraphernalia have helped attract supporters. Celebrities including Jerry Seinfeld have visited the plaza.

On Dec. 15, the families were hit with a wave of anger and frustration when Israeli forces in Gaza mistakenly killed three Israeli hostages who had escaped.

That night, hundreds gathered outside the Kirya building—the Tel Aviv military headquarters, and where Israel’s cabinet meets on a regular basis. “I was screaming at them,” said Zohar Avigdor, who had welcomed two family members back from captivity. “If now is not the time to be mad, when is?”

The next day, the Families Forum helped set up about 20 tents outside the Kirya. Defense Minister Yoav Gallant and Benny Gantz, another member of Israel’s war cabinet, surprised families by coming to meet them.

Netanyahu, meeting the families recently, tried to reassure them of Israel’s commitment to reaching a hostage deal. “We are holding contacts at this very moment,” he said, according to a statement. “We are working to return them all. This is our goal.”

At the Kirya on a recent day, the families blocked the driveway at 29 minutes after each hour, to commemorate 6:29 a.m. on Oct. 7, when Hamas attacked Israel.

Eli Stivi, whose son Idan was abducted, said he thinks about whether Idan is cold, wherever he is. Stivi got into his white Mercedes to drive home for Shabbat dinner. He would return, he said, to sleep in a tent that night.

WORLD WATCH



STEPPING INTO 2024: Performers on Tuesday participated in a parade to kick off the new year in Cape Town, South Africa.

TURKEY

Suspected Israeli Spies Are Held

Turkish authorities have detained 33 people suspected of spying for Israel, Turkey’s state-run news agency reported Tuesday.

Authorities were still searching for 13 others believed to have links to Israel’s Mossad security service, the Anadolu Agency said.

The suspects were detained in raids in Istanbul and seven other provinces for allegedly planning to carry out activities that included “reconnaissance” and “pursuing, assaulting and kidnapping” foreign nationals living in Turkey, the agency said.

The suspects were allegedly recruited to spy on Palestinians living in Turkey and Israeli activists opposed to their government, Anadolu said.

The report comes weeks after the head of Israel’s domestic security agency, Shin Bet, said his organization is prepared to destroy Hamas “in every place,” including in Lebanon, Turkey and Qatar.

Turkish President Recep Tayyip Erdogan warned Israel of “serious consequences” if it pressed ahead with its threat to attack Hamas officials on Turkish soil.

—Associated Press

PAKISTAN

Six Barbers Are Fatally Shot

Unidentified gunmen shot and killed six barbers before dawn on Tuesday in a former stronghold of the Pakistani Taliban in the country’s northwest near the Afghanistan border, police said.

No one immediately claimed responsibility for the killings in Mir Ali, a town in the restive Khyber Pakhtunkhwa province, said Jamal Khan, a local police chief.

Mir Ali served as a base for the Pakistani Taliban—who are known as Tehreek-e-Taliban Pakistan, or TTP—for years until the military cleared the area of insurgents. TTP is a separate group but a close ally of the Afghan Taliban, who seized power in neighboring Afghanistan in August 2021 as U.S. and NATO troops were in the final stages of their pullout from the country after 20 years of war.

Pakistani militants years ago banned haircuts and the trimming of beards in Western styles.

Pakistan has seen many militant attacks in recent years in the region, where authorities often target TTP hide-outs to foil the group’s efforts to stage a comeback.

—Associated Press

WORLD NEWS

Prosecutors in Hong Kong Cite Lai's Tweets, U.S. Ties at Trial

BY ELAINE YU

HONG KONG—Prosecutors opened the trial of media tycoon and dissident Jimmy Lai on national-security charges by citing his tweets, comments in interviews and a photograph of him publicly meeting with former Vice President Mike Pence to allege he was the “mastermind” of a conspiracy to urge Western governments to impose sanctions on Chinese and Hong Kong officials.

Lai pleaded not guilty on Tuesday to two charges of conspiracy to commit collusion with foreign forces—a crime created in 2020 by China’s imposition of a national-security law—and a separate charge of sedition. He faces up to life imprisonment if convicted.

Lai, whose publications backed mass pro-democracy protests in Hong Kong in 2019 and were staunch critics of

China’s Communist Party, is the top target of Beijing’s campaign to snuff out dissent in the former British colony.

The trial is being closely watched internationally for its impact on freedoms and judicial standards in the city.

Lai listened on headphones as prosecutors described him as the driving force urging sanctions after demonstrations shook Hong Kong in 2019.

Senior prosecutor Anthony Chau presented a graphic to a panel of three government-picked judges that he said showed Lai’s political connections, including those in the U.S., which in August 2020 imposed sanctions on 11 Chinese and local officials overseeing Hong Kong’s affairs.

Besides the photograph of Lai’s high-profile meeting with Pence, Chau also cited Lai’s ties to former U.S. deputy defense secretary Paul Wolfowitz and retired U.S.

Army Gen. Jack Keane, and a meeting with then-Secretary of State Mike Pompeo.

Prosecutors shared snippets of Lai’s interviews and tweets, as well as communication records between him and other advocates, in which they say he lobbied for foreign governments to take action.

In clips of television interviews with foreign media played by prosecutors, Lai said “draconian sanctions” from then-President Donald Trump were Hong Kong’s “only salvation” and other countries should confront China’s authorities while Beijing faced a weak economy.

Under Hong Kong’s British-style legal system, Lai’s defense team will respond later in the trial.

The security law authorizes Hong Kong’s leader to pick the judges who will hear trials, and they have delivered convictions in all trials.

The city’s justice depart-

ment has also ordered national-security cases to be heard without a jury.

Lai, the founder of Hong Kong’s now-closed Apple Daily newspaper, is serving jail time for other offenses brought by the city’s justice department, which rights advocates have criticized as politically motivated.

He is among scores of activists and lawmakers jailed under the national-security crackdown.

Lai’s latest trial is also being followed by foreign governments. Diplomats have joined reporters and members of the public for court hearings, which are held under guard by large numbers of police.

The U.S. government has condemned the prosecution of Lai, noting he was denied his choice of lawyer, and said the national-security crackdown has harmed the city’s reputation as an international busi-



Media tycoon Jimmy Lai, shown being taken to court in 2020, went on trial Tuesday on national-security charges.

ness hub.

The British government has described the case as a “clear attempt to stop the peaceful exercise” of Lai’s freedom of expression and has pressed for consular access to the publisher, who fled mainland China as a boy and who is now a U.K. national. It said its staff weren’t allowed to visit him in prison.

Overseas journalists, religious figures and human-rights groups have slammed Lai’s trial as an attack on free-

dom of speech in the financial center.

The Hong Kong government has said all defendants will receive a fair trial and that attempts to interfere with the legal proceedings through political power, the media or other means were “reprehensible.”

Lai’s is one of several high-profile trials in Hong Kong involving political opponents, lawmakers and journalists that are expected to conclude this year.

China Presses for More Babies

Continued from Page One

dren, hoping she has a baby boy. “Having had one child, I think I’ve done my duty,” Feng said. A second child, she said, would be too expensive. She said she tells relatives, “I can have another kid as long as you give me 300,000 yuan,” around \$41,000.

Many young people in China, disheartened by a weak economy and high unemployment, seek alternatives to their parents’ lives. Many women view the prescribed formula of marriage and children as a raw deal.

Molly Chen, 28 years old, said the demands of caring for aging relatives and her job as an exhibition designer in Shenzhen leave no room for kids or a husband. All she wants to do in her free moments is read or scroll through pet videos.

Chen followed the story of Su Min, a retiree who video-blogged about her solo road trip around China to escape a bad marriage. Chen said that the story, as well as online videos that women post about their lives, have deepened her impression that many men choose wives mostly as caretakers—for children, husbands and both sets of aging parents.

She lamented that she doesn’t have time even for a pet. “I can’t afford to take care of anything else outside of my parents and work,” Chen said.

Shrinkage

When Beijing said it would abolish its 35-year-old one-child policy in 2015, officials expected a baby boom. Instead, they got a baby bust.

New maternity wards were built only to close a few years later. Sales of baby-care products, including formula and diapers, have dropped. Businesses that focused on babies now target seniors.

New preschools built to make child-rearing more affordable struggle to fill classrooms and many have closed. In 2022, the number of preschools in China fell 2%, the first decline in 15 years.

Demographers and researchers predict that data will show Chinese births dipping below 9 million in 2023. The United Nations forecasts 23 million births in India, which in 2023 passed China as the world’s most populous country. The U.S. will have around 3.7 million babies born in 2023, the U.N. estimated.

The one-child policy brought much of China’s demographic gloom: There are fewer young people than in the past, including millions fewer women of childbearing age every year. Those women are increasingly reluctant to marry and have children, accelerating the population decline.

In China, 6.8 million couples registered marriages in 2022, compared with 13 million in 2013. The country’s total fertility rate in 2022—the average number of babies a woman has in her lifetime—is approaching

one birth per woman, or 1.09. In 2020, it was 1.30, well below the 2.1 needed to keep a population stable.

The campaign for a “birth-friendly culture” has taken on the tone of an urgent national mission, with government-organized matchmaking events and a program encouraging military families to have more babies.

“Soldiers win battles. When it comes to giving birth to second or third children and implementing the national fertility policy, we are also taking the lead and charging to the front,” Zeng Jian, a top obstetrician-gynecologist at a military hospital in Tianjin, told state media in 2022.

In August, residents of the western city of Xi’an said they received an automated greeting from a government number during the Qixi Festival, the Chinese equivalent of Valentine’s Day: “Wishing you sweet love and marriage at an appropriate age. Let’s extend the Chinese bloodline.”

The message drew a backlash on social media. “My mother-in-law doesn’t even push me to have a second child,” one person wrote. “I guess next, arranged marriages will come back,” another commented.

Beijing leans more to encouragement than the kind of coercion that marked the one-child policy. Local governments offer cash incentives for couples having a second or third child. A county in Zhejiang province gives a \$137 cash bonus to every couple getting married before age 25.

In 2021, the city of Luanzhou asked unmarried people to sign up for a government-sponsored dating initiative that uses big data to find matches citywide. A district in the city of Handan provides a one-stop wedding-planning service.

Hide and seek

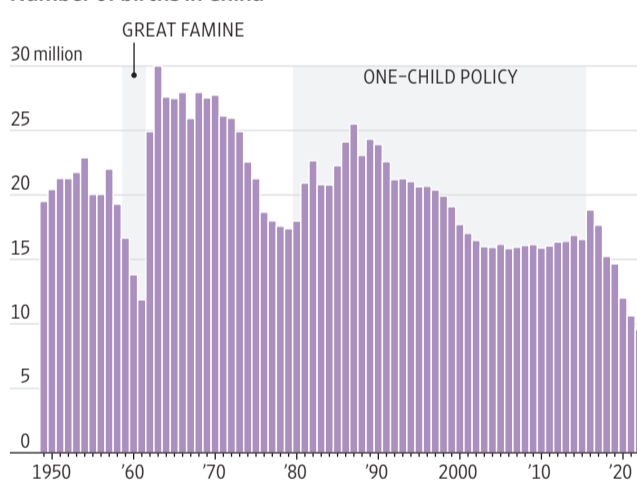
The shift means some women have gone from trying to dodge punishment for having too many children to being hounded to have more.

A decade ago, a woman named Zhang was in a cat-and-mouse game with authorities after she decided to have a second child. She asked that her first name not be used.



Women on a workday in the Pudong Financial District in Shanghai.

Number of births in China



Source: China National Bureau of Statistics

While pregnant, she left her job to stay out of public view, fearful officials would pressure her to have an abortion, she said. After giving birth, in 2014, she stayed with relatives for a year. When she returned home, local family-planning officials fined her and her husband around \$10,000. She said she was forced to have an intrauterine device implanted to prevent pregnancy. Authorities required her to have it checked every three months.

Months later, the Chinese government announced the one-child policy would be scrapped. For a while, authorities still demanded Zhang have her IUD checked.

She now gets text messages

from officials encouraging her to have more children. She deletes them in anger. “I wish they would stop tossing us around,” she said, “and leave us ordinary people alone.”

There has been a tightening of licenses for clinics offering medical procedures to block pregnancies. In 1991, the height of the one-child policy, 6 million tubal ligations and 2 million vasectomies were performed. In 2020, there were 190,000 tubal ligations and 2,600 vasectomies.

On social media, people complain that getting a vasectomy appointment is as difficult as winning the lottery.

Officials have also tried to dial back abortions, a key tool

for officials during the one-child policy. They have fallen by more than a third—from more than 14 million in 1991 to just under 9 million in 2020. China has since stopped releasing data on vasectomies, tubal ligations and abortions.

Conflicting shifts

Wang Feng, a sociology professor at the University of California, Irvine, said there have been two conflicting shifts in Chinese society: a rising awareness of women’s rights and increasingly patriarchal policies.

For the first time in a quarter-century, no women are among the top two dozen officials on the Politburo. Since Xi took power in 2012, China has fallen 38 places in the World Economic Forum’s Global Gender Gap Report to No. 107 in the 2023 ranking of 146 nations.

In the Mao era, the party promised to end Confucian traditions that discriminated against women. Xi has instead stressed Confucian values, including the filial duty to have children. Families also pressure women into traditional roles.

Sophy Ouyang, 40, has known since middle school she didn’t want to marry and have children. Ouyang studied computer science, one of the few women in her village to pursue advanced schooling, and

works as a software engineer in Canada.

Ouyang said that throughout her 20s, her family leaned on her to marry. Her mother said that if she had known Ouyang wouldn’t have children, she would have stopped her from getting a higher education.

Ouyang cut off contact with her family more than a decade ago. She has blocked her parents, aunts and uncles on social-media apps. “If I’m a bit more genteel with them,” she said, “they will take advantage.”

The Chinese government, which sees feminism as a nefarious ideology backed by foreign forces, has detained women’s-rights activists and erased their social-media accounts in a yearslong crackdown.

Even so, women have become more vocal online about their experiences relating to relationships, families and work. Their posts show a personal form of feminism that is harder for authorities to police.

Simona Dai, 31, started a podcast entitled “Oh! Mama” about birth and marriage after she learned that her mother had an abortion when she was eight-and-a-half months pregnant with a girl in the early 1990s.

Dai got married when she was 26 and said she had to endure her husband’s chauvinistic views, especially during the pandemic, when they argued about household chores. She became adamant about not having children, despite pressure from the couple’s families. She has since applied to end her marriage. “If I didn’t divorce, I might have to have a baby,” she said.

A national debate over the treatment of women erupted in early 2022, when the video of a woman—a mother of eight, kept in a shed with a chain around her neck—sparked a social-media storm. The woman’s plight resonated with Chinese women who saw a connection to their own roles.

In recent years, Beijing has raised its guard against similar instances of social-media outrage.

A woman who worked at a branch of the All-China Women’s Federation in Guangzhou from 2020 to 2021 said the branch focused on preventing gender-related topics from going viral. She said it paid more to a tech company to police social-media comments than its budget for women’s advocacy.

During training, she said, employees were warned of serious repercussions if women’s issues in Guangzhou drew unwanted social-media attention. The women’s federation didn’t respond to requests for comment.

China’s cyberspace watchdog, which polices material seen as harmful to Chinese internet users, said in December that it was targeting content “spreading wrong views on marriage.”

Some women who decided years ago against marriage and children consider themselves lucky. Ouyang, the software engineer in Canada, said, “I feel like I’ve completely dodged a bullet.”

—Jonathan Cheng and Grace Zhu contributed to this article.



A couple took photos in Beijing this fall. In China, 6.8 million couples registered marriages in 2022, down from 13 million in 2013.

By VANESSA FUHRMANS

It is barely past New Year's Day. If you took Tuesday off, congratulations: You aced your first test of vacation-day math.

We get only so many days of paid time off a year. And that is if you're lucky—one in five U.S. private-sector workers gets no PTO, according to the Bureau of Labor Statistics. Without a strategy, you can have a generous number of vacation days and still feel like you never truly got away from it all.

The average American worker with five years at the company gets 15 paid days of vacation in a year, BLS data show. That leaves little room for bad planning if you want a serious break or two, plus some long weekends and the occasional personal day.

Maxim No. 1: A vacation day equals more than a day of vacation when you attach it to a public holiday or two. Taking the day after New Year's this year snags you a four-day weekend. Timed just right between federal holidays and weekends, 15 days of PTO can turn into nearly 50 days of extended break time this year. (That is, if your co-workers don't beat you to claiming those dates.)

Another guiding principle—Fridays off are overrated. For a long weekend or a random personal day, there is evidence to suggest a Monday and Wednesday can be more satisfying. But more on that later.

Take the week

First, some science: To really recharge, you need at least one weeklong vacation, bracketed between two weekends, research suggests.

In one study of more than 50 people who took vacations for an average two weeks, participants' well-being levels didn't peak until their eighth day off. A 2023 study of more than 300 vacationers found people who took between eight and 14 days off reported greater and longer positive effects once they returned to work, such as better sleep, than those who took shorter breaks.

One to two weeks off, in fact, appeared to have longer-lasting benefits than lengthier vacations. After a while, "you creep back to old habits," says Ty Ferguson, a research associate at the University of South Australia in Adelaide who co-wrote the study. His own recent getaway—several days down the coast—went bust when his three children, ages 5 and under, came down with a bug. Then it was time to return.

"I should take more of my own advice," he says.

One reason taking a week-plus is important is that is enough time to actually reduce workloads. Network-equipment giant Cisco recently conducted a deep data dive



▲ Jim Burch on a hike in Sedona, Ariz.

on employees' work habits and well-being, examining more than three years' of metrics. When workers took a day or two off, the number of meetings they had in the month didn't change much—they just packed in more work before and after their time off.

Meeting loads dropped sharply for workers who took at least five consecutive days off. The fewer the meetings, the greater tendency to report healthier routines and better stress-coping abilities, Cisco found.

"I always believed in the long weekend because it can be so hard to take a week off," says Cisco's chief people officer, Kelly Jones. "I was wrong."

▲ Gail Martino bird-watching at Lighthouse Point Park in New Haven, Conn.



▲ Gail Martino bird-watching at Lighthouse Point Park in New Haven, Conn.

Maximizing holidays

To get the most out of your finite days off, consider Gail Martino's PTO hack for 2024. "I'm a leisure laggard," says the senior project manager in New Haven, Conn., of her habit of waiting to take vacation time until things get slower. (Hint: That is never.) Then there is a scramble to use it or lose it toward the end of the year, with the days she does take off feeling not terribly satisfying.

"You wonder, why am I so tired?" she says.

Having become a bird watcher in recent years, she wants to take a couple of birding trips along the Eastern Seaboard in 2024. "I spend a week in the woods, among trees and nature, and that is an incredible break," she says. "Now I

want to chart out the entire year."

She devised a spreadsheet of dates bridging public holidays and weekends with a theoretical 15 vacation days and four personal days. (Working at Unilever for 18 years, she got about a week more PTO than that in 2023.) The result was 50 days of extended breaks, including 9-day stretches in July and over Christmas:

A little tweaking can wring nearly the same number of extended break days with just 15 vacation days and no personal days—that is, if you get a full slate of federal holidays off and don't have to trade off with co-workers:

Forget Fridays off

Want to take a three-day weekend not attached to a federal holiday? Take Monday off instead of Friday, suggests Jim Burch, a 38-year-old software engineer in Phoenix and an avid hiker. Taking Fridays off often results in cramming five days of work into four, he says.

"I'd get so stressed out on the Thursday before," says Burch.

Delaying gratification until Monday means your co-workers have no choice but to start the workweek without you. Back Tuesday, you can quickly catch up on whatever you missed, he says.

Then there is the unexpected pleasure of a Wednesday off. "It is like a midweek weekend," says Rachel Blenkhorn, a social-media production manager for a real-estate investment trust who lives in Warren, Mich. It is long enough to relax or take care of appointments yet short enough to get back in the work groove Thursday, she says.

Science tells why, says Dawna Ballard, a professor at the University of Texas at Austin and an expert in chronemics, the study of time as it relates to communication.

"Everyone has a different chronotype," or biologically driven pace, she says. A break after two days' work gives you a second chance in the week to return to your internal rhythm. Psychologically, it also creates a bit of "slack" in the workweek, alleviating the stress that comes from feeling like there is too little time to get everything done.

However you plot your vacation days in 2024, don't leave any on the table. They aren't just good for you, there is evidence they are good for your career.

An Ernst & Young study of its employees showed every extra 10 hours of vacation was linked to an 8% improvement in year-end performance reviews. Another study found people who took more than 10 vacation days a year were more likely to get a raise or bonus.

Now that is a formula anyone can get behind.

At 103, Work Still Makes Heart Sing



TURNING POINTS
CLARE ANSBERRY

The secret to staving off burnout, from those who work six or more decades: a passion for what they do and an ability to reset after late-life setbacks.

Charles Munger, the billionaire vice chairman of Berkshire Hathaway who died in November, attended a daylong Zoom board meeting at the age of 99, telling a reporter, "You don't call it work when you enjoy it."

The ability to actively work later in life offers lessons to those older people who want to continue working and younger ones who already feel burned out. Nearly half of workers under the age of 30 say they feel burned out at work, compared with four in 10 of those 30 and up, according to one recent survey.

Dr. Gladys McGarey, 103, continues to consult and give talks and podcast interviews after nearly eight decades in the medical field. Last year, she published her memoir and started an Instagram account, which has nearly 47,000 followers.

"If you burn out, relight the fire," says McGarey. She ran a clinic while raising six children and had

to start a new one when her husband and clinic partner left her when she was 69 and married one of their colleagues.

Workers 75 and older are the fastest-growing age group in the workforce, more than quadrupling in size since 1964, according to a study from the Pew Research Center. The trend will continue, according to projections from the Bureau of Labor Statistics: Workforce participation among people 75 and older will reach 11.7% by 2030, from 8.9% in 2020.

Dr. Thomas Perls, who leads the New England Centenarian Study at Boston University, says some long-lived workers have the combination of being purposeful and having the right genetics. About 25% of our ability to reach our 90s is attributable to our genetic footprint, while the remaining 75% is related to our behavior and environment, he says.

Bouncing back

McGarey, the daughter of medical missionaries, grew up in India and came to the U.S. to go to medical school when women represented only 4% of the nation's physicians.



age 86, but continued her work, traveling to Afghanistan to teach rural women safer birthing practices.

Love the work

Not everyone wants to work in their later years, says Dr. Robert Waldinger, a professor of psychiatry at Harvard Medical School.

"It's not burnout. It's just 'I don't want to do this anymore,'" says Waldinger, director of the Harvard Study of Adult Development, a study on how people thrive.

As people get older, they are better at discerning what really matters, he says, and what they can let go of. The goal isn't necessarily an 80-year career, but finding purpose in whatever we chose to do in our 80s and beyond, whether that is taking care of a grandchild, playing the piano or joining a community theater.

For many, there is passion, purpose and love in the work.

McGarey recently published her memoir and continues offering life-coaching sessions. She has conducted an estimated 200 interviews and podcasts since May.

McGarey lives in a small home in Scottsdale, Ariz., behind her daughter's house. Having practiced holistic medicine, which emphasizes things like nutrition and self-care, McGarey eats well, gets nine hours of sleep, rides an adult tricycle she received on her 102nd birthday and takes 3,800 steps daily.

Like others who have remained engaged in their careers in their later years, she says the secret is to find things that make life important and our "hearts sing."

"I think that is our key," she says.

'If you burn out, relight the fire,' says Gladys McGarey, who is still working at 103 years old.

to turn 70 and her husband of 46 years, who has since died, said he wanted a divorce.

"I was broken," says McGarey, who remembers at one point pulling her car off the side of the road and yelling and screaming in anger. For decades, she had helped others heal physically, mentally and spiritually, but she herself was shattered.

"I thought, 'Am I going to spend the rest of my life screaming like this?'" she recalls. "The very pain became a huge teacher."

Soon after, she bought a license plate that read BE GLAD and started a new medical practice with her daughter. McGarey officially retired from her medical practice at

She had four children in four years, and ran a clinic in Ohio while her husband, also a physician, served in the military. After moving to Arizona, she and her husband helped found the American Holistic Medical Association and opened a clinic.

Her professional and personal life was upended when she was about

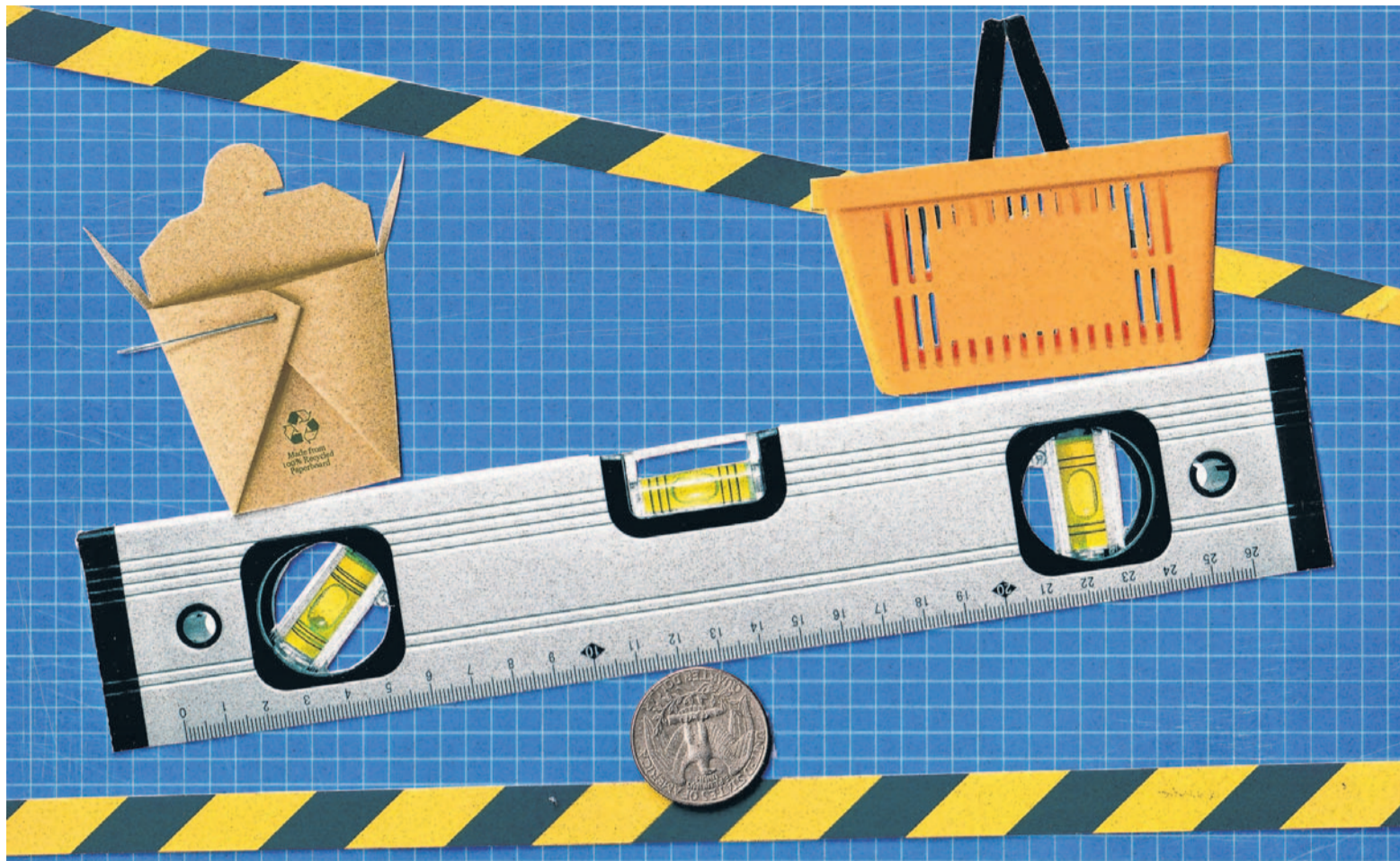


CLOCKWISE FROM TOP: ILLUSTRATION: MICHAEL BEINDARSKI; JIM BURCH: GAIL MARTINO

PERSONAL JOURNAL.

Stop Wasting Your Money On Food You'll Throw Away

The easiest way to cut down on spending on meals: Reduce what gets tossed in the garbage



By IMANI MOISE

If you're wondering where your food spending is going each month, look in your trash can.

After putting a roof over our heads and getting around town, food is the biggest expense in our monthly budgets. Rising food costs topped the list of consumers' financial concerns last year after a period of rapid inflation. It is also one of the hardest categories of spending to rein in, as cutting food costs can mean changing how much, and what, we eat.

With food prices still rising, most people can meaningfully reduce their food spending without clipping coupons or incorporating more instant ramen into their diets. The easiest way to cut back on how much you spend on meals is to reduce the amount of food you waste, financial advisers and dietitians say.

About 20% of the food purchased in 2022 ended up in the garbage, according to a Wall Street Journal analysis of data from BLS and ReFED, a nonprofit dedicated to reducing food waste. Americans threw out \$252 billion worth of food that year, according to ReFED. That works out to nearly \$1,900 per household, or about \$150 a month.

About 20% of the food purchased in 2022 ended up in the garbage.

"Everyone has that aspirational, rotting bag of spinach in their fridge, and that is something you don't need to be buying," said Tori Martinet, a California based-dietitian and former food-service executive.

The most common mistake she sees among new clients is grocery shopping for a version of themselves that doesn't exist—especially at the beginning of the year, when people are looking for a fresh start and eager to hit health goals.

"Just being honest with yourself about where your food spend is going to go can shift a lot of the stress and the actual dollar amount of spending to things that you're actually going to consume," said Martinet.

Here's how to fix your food budget in 2024, according to dietitians and financial advisers.

Plan accordingly

The most effective way to lower your food spending is to go to, or order from, the grocery store less frequently, said Theresa Bailey, a Florida-based financial counselor. Going less frequently means you have to plan each trip carefully.

"We don't meal plan properly, and that is what costs us so much money," she said.

Dietitians and financial advisers suggest taking inventory of your pantry, refrigerator and freezer weekly, or at least before heading to the grocery store. One of the first things Almetria Turner, a wellness coach and doula based in Memphis, Tenn., does with new clients is go through what they already have.

Often she finds several open bottles of ketchup in the pantry and two-year-old ground beef in the freezer that clients forgot about. "That money is wasted," she said.

You can avoid this kind of waste by not buying items that you don't have a plan to eat within a set period, even if it is on sale. People

who buy groceries based on weekly plans tend to waste less than people who buy groceries monthly.

Opting to keep a list on a physical piece of paper instead of in a digital format makes shoppers more likely to stick to it and avoid impulse purchases, according to research by Yanliu Huang, an associate professor of marketing at Drexel University. People tend to put more thought into paper lists because they feel more final than digital lists that can be edited on the fly.

Planning meals can be time-consuming at the outset. Bailey has found ways to get that time back throughout the week. She writes down what she plans to cook and eat for the week using a spreadsheet that she shares with her family to avoid perennial questions about what's for dinner.

"They are old enough to go look," she said. "That is my time savings."

It is the produce...

Fruits and vegetables are the most commonly wasted foods, according to a study by Mitre, a U.S. nonprofit that oversees federally funded research projects.

You can maximize the freshness of produce by storing it correctly. Many veggies have their own hacks. Take asparagus, which lasts longest when stored in a glass with water. There are online tools like the USDA's FoodKeeper app and SaveTheFood.com's interactive storage guide that can help you figure out the best way to store your groceries without memorizing too many tricks.

Families with children waste more vegetables than the average household. To reduce waste, parents should serve themselves smaller portions and expect to take some greens off their child's plate, the study said.

...and the restaurants

Preparing all of your meals at home is usually the cheapest way to feed yourself, but that option has proved challenging as Americans spend more time at work.

In every year but one since 2015, more than half of the money that Americans spend on food has gone toward food prepared outside the home, according to USDA data. (The exception was 2020, when eating out was less of an option.)

In 2022, that category—which includes prepared food ordered from restaurants and picked up from grocery stores—accounted for about 54% of overall food spending, the largest share since the agency started tracking in 1960.

Be realistic

Many people fail at meal planning because they create frameworks that are too rigid and ambitious, Bailey said. Instead of trying to eliminate food delivery entirely, give yourself a rolling budget. She also suggests building in "lazy meals" like leftovers or breakfast for dinner, which can lower your costs while giving yourself a break.

Researchers recommend setting up "if/then" conditions to give yourself wiggle room and avoid discouraging feelings of failure. For example: "If I don't use the spinach by Friday, then I will put it in the freezer."

When trying to make lifestyle changes, most people would be better off building a food budget that accommodates their existing food habits and making smaller adjustments over time, dietitians say. Trying to quit the convenience of prepared food and takeout cold-turkey in an attempt to save money often leads to more spending.

When Turner first started her weight-loss journey in 2010, the first thing she did was stock her refrigerator with healthy foods to support her new lifestyle. Within a few weeks, she found herself eating out after a long day's work and her groceries went to waste.

After that, she opted for more realistic, gradual changes. She eventually launched a fitness blog and dubbed herself the Healthy Budgetnista after she lost 177 pounds.

"Don't dive in headfirst. Give yourself grace," she said.

MY RIDE | BY A.J. BAIME

Revisiting Favorites On Road to 2024

The My Ride column celebrated its 10th anniversary in 2023. The past 12 months featured everything from a custom 1977 Dodge van inspired by "That '70s Show" to a 1954 Cadillac Eldorado named after a famous burlesque dancer. Here are five more favorite stories from last year.

'Cute little car' was turned into a showstopper

After a near-death experience, Los Angeles-based actor and director Daniel Wu was inspired to build a custom car. With the help of a buddy, he "Frankensteined together" two Honda S800s, and added horsepower and a "more gangster" vibe. The result is the 1968 Honda featured in his column. "It feels and sounds like you're driving a hornet," he says.

► At right, Juan J. Escalante and son Caylor with his Challenger. Below, from left, Emelia Hartford's GT40, Todd Cameron's Indian and Tina L. Blankenship-Early's Caprice.

Dodge Challenger has been to Venezuela and back

On Dec. 12, 1969, Juan J. Escalante's father bought a 1970 Dodge Hemi Challenger R/T at a Michigan dealership. The car ventured to Venezuela with the family, then back to the States, and ultimately enjoyed a three-year restoration. Now Escalante—a Miami-based international construction-equipment salesman—likes to drive "El Hemi," as he calls this muscle car, with his



son Caylor, who appeared with him in his column. Next up for the Escalantes? A restoration of a Mercedes Gullwing that raced in the 1950s.

Rare racer runs again under actress's direction

When car builder and "Gran Turismo" actress Emelia Hartford found her Cape Advanced Vehicles GT40, it had been sitting outside for almost 20 years and had fleas. This was no ordinary vehicle. It's a modern replica of the Ford race car that beat Ferrari in 1966 at Le Mans, as depicted in the 2019 movie "Ford v Ferrari." "One of the things I love about cars is the opportunity to take an abandoned vehicle and bring it back to life," Hartford, who's based in the Los Angeles area, said in her column.



◀ Actor and director Daniel Wu in his custom 1968 Honda S800.

'66 Caprice bounces into the Lowrider Hall of Fame

You may have seen "Game Killa" in the opening scene of the 2015 movie "Straight Outta Compton." The 1966 Chevrolet Caprice lowrider is owned by Tina L. Blankenship-Early, a street-sweeper operator who lives in Los Angeles. She is the first woman inducted into the National Lowrider Hall of Fame. Blankenship-Early is now at work on a 1967 Chevrolet Camaro custom build. "We still have to do the interior and the audio," she says. "Then it's on the road."

A 114-year-old cycle won Motorcycle Cannonball

Todd Cameron of Monrovia, Calif., raced a 1909 Indian across the country in a competition called the Motorcycle Cannonball—and finished in first place. "This is the best way to see America," he said in his column, "at 40 mph on the seat of a vintage motorcycle." Cameron has now set his sights on a competition called the Cross Country Chase, and he's eyeing a vintage Harley-Davidson to fix up for the event.



CLOCKWISE FROM TOP: CAROLYN FONG FOR WSJ; MORGAN LIEBERMAN FOR WSJ; STEPHANIE NORZITZ FOR WSJ; GUSTAVO SORIANO FOR WSJ; DEVIN CHRISTOPHER FOR WSJ; ILLUSTRATION: DASHY KOPPIES/THE WALL STREET JOURNAL; ISTOCK (2); PIXELSQUID (2)

ARTS IN REVIEW



TELEVISION REVIEW | JOHN ANDERSON

A High-Altitude Test Of Faith and Fortitude

'Society of the Snow' revisits the story of a 1972 plane crash in the Andes

The epic "Society of the Snow," Spain's Oscar submission for this year's Best International Feature, was directed by J.A. Bayona, whose 2007 "The Orphanage" remains one of the more frightening supernatural thrillers this reviewer has ever sat through, knuckles whitening. But no gothic fright fest qualifies a filmmaker—necessarily—to tell the real-life horror story of Uruguayan Air Force Flight 571, the plane that famously crashed in the Andes in October 1972, its survivors subsisting on snowmelt, salvaged snacks and cannibalism. For all the sensationalism of what was a very real ordeal, any accounting of it requires respect, both for the dead and for the living.

Mr. Bayona more than meets that standard, which has been the hallmark of several adaptations, the best-known being the American production "Alive," directed by Frank Marshall and based on the 1974 book by Piers Paul Read. The consumption of the casualties, so to speak, was portrayed in that 1993 film as a form of Eucharist (a comparison made by at least one of the 16 eventual real-life survivors, in answer to their critics) and the meal as a sacrament. Mr. Bayona doesn't go quite that far, though the issues of God, sin and the cosmic implications of what they are about to do is debated to a sober and sobering depth by the players. (Nineteen members of the Old Christians Club rugby team, en route to play in Chile, were among the 45 people on board 571.)

"Will God forgive us?" asks one. God has put us here, another says; he will forgive us what we need to do. A third offers that "God has nothing to do with it. This is just bad luck." The question the audience is forced to ask itself—which is part of what has made the crash of Flight 571 a nonfiction classic—is "What would

I do?" Would I eat, or give up? Does the consumption of human flesh excommunicate one from the human race?

The crash, which occurs shortly into the nearly 2 1/2-hour film, is alarming, the wings shearing off, the tail flying apart (along with several people) and the fuselage plummeting down a slope before

coming to rest in a vast white valley. For all the violence, casualties and the claustrophobic intimacy of the plane's hull, which becomes a home for more than two months, one of the more haunting moments occurs outside, after a few of the players have trekked several miles uphill from their shattered plane. They look back and can hardly see it. It is a mere speck in an otherwise blank expanse of snow and they realize that the search planes couldn't, and wouldn't, ever find them, no matter how often the aircraft crisscrossed the site, in the western Andes between Chile and Argentina (photographed splendidly by Pedro Luque Briozzo). Their sense of insignificance—coupled with the fact that the search has been called off, as they learn from a recovered radio—is as chilling as the snowstorm that will almost bury them alive.

Mr. Bayona, working from a script he wrote with Bernat Vilaplana, Jaime Marques and Nicolás



◀ Enzo Vogrinic in 'Society of the Snow'

▲ An image from director J.A. Bayona's Netflix film

Casariego, juxtaposes the meta-physical aspects of "Society of the Snow" with hostile locations, seemingly impossible circumstances, a constant presence of death and a universe perversely silent about who has been chosen to live and why. "It's a miracle," says one mother toward the film's end, being reunited with her son, who responds, almost defiantly, "What miracle?" For his teammates back on the mountain, it was no miracle at all. The ones who survive wonder how they did. Based on the book by Pablo Vierci, "Society of the Snow" is despairing, the pain palpable, the lack of hope among the characters—who include Numa Turcatti (Enzo Vogrinic), Roberto Canessa (Matias Recalt), Nando Parrado (Agustín Pardella) and Fito Strauch (Esteban Kukuriczka)—wearying and dispiriting. The trek by Parrado and Canessa to finally find help is another grueling aspect to the narrative. But the length of his film is an essential element in Mr. Bayona's message about desperation and hope and, dare one say it, the resilience of the spirit. The soiled, ailing, sunburned husks of men who emerge from the mountains are heroes, though they look every bit like ghosts.

Society of the Snow
Thursday, Netflix

Mr. Anderson is the Journal's TV critic.

OPERA REVIEW

A Misguided Modernization at the Met

By HEIDI WALESON

Director Carrie Cracknell, who made her Metropolitan Opera debut with a new production of Bizet's "Carmen" on New Year's Eve, is known for modernizing and giving a feminist edge to classic texts. Her 2022 film of Jane Austen's "Persuasion," for example, artfully interpolated contemporary dialogue into the 19th-century setting and made its protagonist the narrator, even the architect, of her own story. However, "Carmen," one of the opera canon's hoariest chestnuts, proved impervious to Ms. Cracknell's efforts. Updated to present-day America and stripped of its touristic Spanish flourishes (no flamenco or gypsies, a rodeo stadium instead of a bullfighting arena), this "Carmen" offered no new insights into the freedom-craving title character and her hapless, murderous lover, Don José.

Michael Levine's heavy, ugly sets overpowered the story. Act 1 offered a looming, full stage-height wall (the factory) with a chain-link fence in front, positioned so far downstage that the chorus scenes were cramped and chaotic. Lillas Pastia's tavern in Act 2 became a giant tractor-trailer, its spinning wheels and the arrangement of flashing neon

lights surrounding it simulating, not very persuasively, a speedy drive down a highway. Escamillo overtook it in a red sports car, accompanied by three pickup trucks full of men waving automatic weapons; the car and pickups then backed out the way they had come to leave room for Carmen and José's meeting on and around a pair of gas pumps.

For the smuggler's hideout in Act 3, the now-crashed tractor-trailer lay on its side and rotated far too many times, with Guy Hoare's lighting picking out whoever had an aria to

sing and leaving the rest in gloom. (The smugglers appeared to be running guns taken from the factory, perhaps into Mexico? Unclear.) The bleachers for the rodeo in Act 4 made more sense, although this set also rotated more often than necessary. Shadowy projections by rocafilm/Roland Horvath on a scrim before each act were too vague to offer much insight. Tom Scutt's costumes fit the scruffy context, especially Carmen's tiny denim cut-off shorts and turquoise cowboy boots. Choreographer Ann Yee supplied some low-key dance moves for the women partying in the truck.

Ms. Cracknell's directing did little to explore the toxic relationship between the two protagonists. One got no sense of their mutual attraction, nor of Don José's suppressed



▲ Rafael Davila and Aigul Akhmetshina in the Metropolitan Opera's staging of Bizet's classic

violence. Perhaps the point was that even the wimpiest-seeming men think that they are entitled to bend women to their will by whatever means necessary, but that's too subtle a message for this opera. There was no theatrical sense of risk-taking or impending doom; everyone seemed to be going through the motions rather than living the drama. The one directorial choice that did read clearly was the actual murder: Carmen picks up a baseball bat to defend herself and Don José wrenches it out of her hands and slugs her with it—the physically stronger male easily appropriating

any and all weapons. However, even here, Bizet already stacked the deck: Don José's pleading music makes him the more sympathetic character of the two in the scene, giving him an out, so the idea of the inherently abusive man didn't track with the actual opera.

In the title role, the young Russian mezzo Aigul Akhmetshina had the vocal goods—a throaty, low sound with a hint of steel—and she didn't overplay Carmen's seductive-

ness, but her performance was low energy, lacking the character's magnetism and seeming more acted upon than acting. Tenor Rafael Davila stepped in for the scheduled

Don José, Piotr Beczala, who was ill, and gave a serviceable performance, despite some pitch excursions at moments of high emotion.

The cast standouts were Kyle Ketelsen's Escamillo, whose crisp diction and snappy delivery galvanized attention, and Angel Blue's poignant yet strong-minded Micaëla—her Act 3 aria was the evening's high point. Effective in the supporting roles were Sydney Mancasola and Briana Hunter, peppy and ready to rumble as Frasquita and Mercédès; Michael Adams and Frederick Ballentine, with lively ensemble timing as the smugglers Le Dancaire and Le Remendado; and Benjamin Taylor and Wei Wu as the soldiers Morales and Zuniga. The Met Chorus mandered rhythmically and physically through the production, and conductor Daniele Rustioni and the Met Orchestra, though noisy, never generated the drive and excitement that keeps "Carmen" at the top of the operatic hit parade.

Ms. Waleson writes on opera for the Journal and is the author of "Mad Scenes and Exit Arias: The Death of the New York City Opera and the Future of Opera in America" (Metropolitan).

SPORTS

JASON GAY

Help! Michigan Might Win The National Championship

A Rose Bowl victory puts the Wolverines in the title game against the Washington Huskies

Of course. Of course Michigan will play for the national college football title. As soon as this chaotic Wolverine season exploded into a screwball comedy—spying allegations, investigations, refutations, a court fight that was, then wasn't, a Jim Harbaugh suspension, Harbaugh apologizing to poultry and saying last week "Jesus would have been a five-star" player—this apocalypse felt preordained.

Michigan, a public university based in Ann Arbor, will play Washington on Monday, Jan. 8, in Houston for the National Championship aka the 2024 Big Ten season opener.

They deserve to be there. Yes, I said it. As a lonely Wisconsin Badger surrounded by Journal newsroom Wolverines who are going to be completely unbearable this week, humming "The Victors" in the elevators, I am expected to offer something snarky about Michigan's latest accomplishment.

But I can't, because they really did it. The No. 1 Wolverines stared into the abyss of another humiliating playoff semifinal loss—their greatest fear, after Ryan Day dressed in maize and blue—and persevered. They beat Alabama (Alabama!) and Nick Saban, and they did it with a late comeback, gutsy play-calling and pushing it to overtime to prevail 27-20.

Pretty good. Pretty great, honestly.

Part of me wants to go live in a cave, but bring it on. Bring the Michigan parade from the Rose Bowl all the way to Southeast Texas, where the Wolverines will be everywhere, because they were already everywhere, except now they're loud, proud and unashamed. Even if you hate their team, they don't really mind it. They've wrapped their arms around a motto—MICHIGAN vs. EVERY-

BODY—and embrace their outlaw status.

"Who's got it better than us?" Harbaugh says, frequently.

It's a phrase of gratitude that Harbaugh's coach father, Jack, instilled early in his children.

Today it sounds like a rallying call of Michigan otherness, the idea that only confirmed Wolverines know what this has been like, not just this undefeated, under-siege season, but the broader recovery, seeing a diminished program rise

from irrelevance to dominance and (praise be) beating despised rival Ohio State three straight times.

The optics are absurd, an insider school acting like an aggrieved outsider, but it's working. Michigan hasn't totally shaken the allegations of prohibited in-person scouting and sign-stealing, and despite Harbaugh's denials of knowledge of any wrongdoing, and whatever happens Monday, they probably never will. Wolverine Nation doesn't seem to care. At all.

It looked like a fair fight in Pasadena, against an Alabama team coming off an upset of No. 1 Georgia in the SEC title game. The rap on Michigan and Big Ten teams in the playoff was that when it came to crunch time, they couldn't hang with SEC talent, and it appeared heading in that direction in the second half.

But again, Michigan survived. They got an all-time performance from running back Blake Corum, who missed last year's playoff be-

cause of injury. They recovered defensively to stop Alabama's second-half momentum. There were times they looked like they might lose, but at no point did they seem overwhelmed.

Now comes Washington, the Pac-12 champion which narrowly finished off Texas, 37-31, in the second semifinal. Michigan will suck up a lot of oxygen in the pregame hype, but the No. 2, 14-0 Huskies are extremely dangerous—as evidenced by Michael Penix Jr.'s 430-yard passing performance against the Longhorns.

They're also about to be Michigan's conference mates, as Washington is one of four schools fleeing the capsize Pac-12 in a rowboat for the Big Ten.

The Huskies can beat you short and deep, and their offense will be much more potent than what Alabama offered. They will be an eccentric addition to the Big Ten, where nearly half the member schools are legally barred from passing the ball more than three yards.

Michigan will have its hands full. But the Wolverines have their own tricks, and they've been purpose built for this moment. They are peaking at the right moment.

Long gone are the tense vibes of the Harbaugh era—the rumors of NFL interest will never end, but success, and especially success over OSU, has delivered near-legend status for the idiosyncratic coach. The controversies have only heightened the fan base's protectiveness and affection.

What NFL situation could compete with what Harbaugh has in Ann Arbor? What joy could he find, gabbing through a sterile press conference in Carolina, or with the Chargers, nobody laughing at his Dad jokes and wandering commentaries?

Harbaugh must surely know: Who has it better?

Until at least Monday, nobody.



Michigan's Blake Corum scored on a 17-yard touchdown run in overtime in the Wolverines' 27-20 victory.

The WSJ Daily Crossword | Edited by Mike Shenk

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- 29 Wicker material
- 31 "NCIS" broadcaster
- 32 Insurance giant named for a volcano
- 33 Like almost all displays today
- 34 Bark beetle victim
- 36 Waze suggestion: Abbr.
- 38 Dress edge
- 40 "Nice job, bro!"
- 41 Germany-Poland border river
- 47 Green sci.
- 49 Org. that added a P for "Paralympic" in 2019
- 51 Sister of Chekhov's Olga and Masha
- 53 Frère de la mère
- 54 Nerd from "Family Matters"
- 55 Iona University athletes
- 56 Skylit courtyards
- 57 Stopwatch button
- 59 Powerful wind
- 61 Artist Jean
- 62 Orbison in the Rock & Roll Hall of Fame
- 63 Log chopper

SNACK TIME | By Bill Thompson

- Across**
- 1 Went after, in a way
 - 5 "So there!"
 - 8 Like Loki
 - 13 "___ jungle out there"
 - 14 Mysterious hoverer
 - 15 Strong opening in bridge
 - 16 * "What I'm saying makes sense!"
 - 19 Alaskan islander
 - 20 Insincere, as a promise
 - 21 *The Kama Sutra, e.g.
 - 24 Mystery writer's prize
 - 27 Pre-K kid
 - 28 Division of time
 - 30 Candy heart word
 - 31 Rick's in "Casablanca," e.g.
 - 35 Not "agin" literally are
 - 37 Down the gangplank
 - 39 *Accept a responsibility
 - 42 John of "Full House"
 - 43 Summer hrs. in New England
 - 44 Disarray
 - 45 Blasting letters
 - 46 Put into service
 - 48 Melted glaze
 - 50 Uninspired
 - 52 *Dextrose from plant starch
 - 58 Region of northern Spain
 - 60 Give out your address?
 - 61 Lunchbox treat that contains the four beasts hidden in this grid, and what the starred answers literally are
 - 64 Kidney-based
 - 65 Fish in a bagel shop
 - 66 "The Jews of Silence" author Wiesel
 - 67 Smooth, as wood
 - 68 Peacock feather feature
 - 69 Hurdle for a future J.D.
- Down**
- 1 Marner who adopts Eppie
 - 2 Functional
 - 3 Newark's county
 - 4 Bit of information
 - 5 Fifth-century warrior
 - 6 Back on a barge
 - 7 Kerfuffle
 - 8 Coward of comedy
 - 9 Tethered
 - 10 Fix a patchy lawn
 - 11 Item dropped in the opening scene of "Citizen Kane"
 - 12 Geological time division
 - 17 Coup d'___
 - 18 Audition goal
 - 22 Easy, in ads
 - 23 Lone Star State sch.
 - 25 Surrounding glows
 - 26 Some KOA campground patrons

Previous Puzzle's Solution

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Will Harbaugh Leave for NFL?

By Rachel Bachman

ONE OF THE MOST BIZARRE college football coaching campaigns in history will culminate in the most dramatic setting possible: the national championship game.

Michigan's Jim Harbaugh, at once the sport's most reviled and revered coach, marched the Wolverines into next Monday's showdown against Washington with an overtime win over Alabama in the College Football Playoff semifinal Rose Bowl on Monday. Harbaugh has guided the Wolverines to the first 14-0 record in their 134-year history, and he's one win away from capturing their first national title since 1997.

Meanwhile he's been sidelined by two three-game suspensions for two separate ongoing NCAA investigations—probes that, when finished, could lead to further punishment for him and the school.

The juxtaposition raises an odd question about the future of a coach who restored the on-field glory of his alma mater: Will Monday be Harbaugh's last game at Michigan?

When asked after Monday's game, Harbaugh deflected.

"My future consists of a happy flight back to Ann Arbor, Michigan," the coach said, grinning from ear to ear.

Harbaugh has reveled in being back in the town where he quarterbacked the Wolverines in the mid-1980s. This season, Michigan fans have returned the affection, even as investigators have closed in around him. When Harbaugh walked into the Rose Bowl Stadium on Monday, his entrance prompted a louder cheer than any player. Harbaugh could opt to extend his run at Michigan. Quarterback J.J. McCarthy has the option of returning for his senior year, and it's clear that Harbaugh and his protégé are close.

"In a college career, there's been nobody at Michigan better than J.J.," Harbaugh said.

Yet Michigan's starting lineup this season is mostly seniors and graduate students. Most of them will be gone next year. Michigan had a favorable schedule this year but next year faces Texas and a battery of Big Ten Conference newcomers: USC, Washington and Oregon.

Then there is the pending punishment from the NCAA. College sports' governing body is still working on two



Michigan football coach Jim Harbaugh

separate investigations of Michigan: one for alleged recruiting violations during the pandemic, the other for alleged improper sign-stealing by a subordinate.

Harbaugh hasn't commented on the recruiting allegations and has denied directing or even knowing about the alleged sign-stealing scheme.

Given the NCAA's move toward targeting punishments at head coaches rather than leaving postseason bans that hurt innocent players, it seems that Harbaugh leaving could mitigate a further sanction of whoever is in charge of Michigan football next year. (It wouldn't necessarily prevent the NCAA from va-

ating wins alleged to have been achieved through improper means, which could happen in any event.)

While the NCAA might push Harbaugh away from Michigan, the NFL could soon pull him toward it.

As coach of the San Francisco 49ers a decade ago, he won 69.5% of his games—ranking among the best all time in the NFL.

His successful restoration of Michigan to a playoff team has drawn the interest of league owners again. Harbaugh might never be hotter as a coaching property than he is now.

Harbaugh isn't the only Michigan coach with suitors in the NFL. Many of his assistant coaches will be in high demand this offseason, particularly on the defensive side.

Harbaugh's previous defensive coordinator was lured away by the Ravens in 2022 and now oversees the NFL's No. 1 scoring defense, creating a market for coaches who operate the same scheme.

If Harbaugh stands to lose a bunch of his assistant coaches to the NFL, it might persuade him to make the move himself.

Forecasting Harbaugh's next move, however, is folly.

He has stayed in Ann Arbor for nine seasons, defying those who thought he'd be four-and-out as he was at Stanford and with the 49ers.

Harbaugh has flirted with the NFL in recent years but stuck with Michigan.

For most other coaches, two NCAA investigations bearing down would push or pull them out the door.

Harbaugh, in contrast, seems comfortable in chaos.

His favorite song, one he's played and sung for his players, is Gordon Lightfoot's "The Wreck of the Edmund Fitzgerald." It memorializes the 1975 sinking of a freighter on Lake Superior. All 29 crewmen aboard died—including the captain.

ARIANA RUJEZ/GETTY IMAGES

KEVIN MAZUR/GETTY IMAGES

OPINION

The Biden-Trump Crisis



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Try reconciling these things:

In defiance of sensible precedent against meddling in the opposing party's nomination process, Joe Biden was already saying halfway through his first term that he wanted Donald Trump for his 2024 opponent.

He gallumphingly leaked to the New York Times also that he wanted Mr. Trump prosecuted. Days earlier Manhattan District Attorney Alvin Bragg had vetoed his own office's proposed Trump indictment. Now Mr. Bragg turned on a dime, in the process supplying proof of concept for all who followed: Each successive indictment only boosted Mr. Trump to a more secure lead in the GOP nomination race.

Yet Mr. Biden also keeps saying Mr. Trump would be a disaster if elected, even as Mr. Biden's own lagging polls make a Trump victory more likely.

When I say the Biden re-election strategy plays dice with the country, I don't mean simply by inviting another Trump presidency. As seen in the decisions in Colorado and Maine to ban Mr. Trump from the ballot, it invites a constitutional crisis even while Mr. Trump progresses to the nomination and an even greater

constitutional crisis if he wins.

From one angle, the Biden strategy is but an extension of Democrats' 2022 midterm strategy, in which they tried to pick their own opponents by spending millions to promote MAGA candidates in key GOP primaries.

Since the days of the Roman republic, "anything goes" has been the rule of constitutionally bound contests for power, right up to the limits of what voters and institutions will accept. In our case, the bar was lowered with the collusion hoax—or more accurately, the press's failure properly to vet the hoax. It was lowered by Mr. Biden's use of the intelligence services falsely to accuse Russia over the Hunter Biden laptop, it was lowered by Mr. Trump's reckless "stop the steal" antics, though, importantly, these received almost no institutional support.

To some, Mr. Trump's arrival on the scene justified adoption by his opponents of suspiciously Trump-like "anything goes" tactics. So far, it has only strengthened Mr. Trump, corrupted institutions like the press and FBI, and legitimized the bar-lowering now rife (and likely to become more so) in the 2024 race.

It tells you something that you can catch whiffs of this reality in the commentary of Bill Clinton-era Democratic strategists like Mark Penn, Doug Schoen and James Car-

ville. In the podcast and media appearances of the Obama-era veterans, their party's cynicism goes unacknowledged. The collusion hoax, with its dent in the psychology of millions of voters, never happened. Mr. Biden's 2024 strategy is anything but an effort to trap America in a choice between him and Mr. Trump because that's the only race Mr. Biden's advisers believe he can win.

The constitutional ructions ahead are part of Joe Biden's re-election strategy.

Mr. Trump's defining political quality, I've always said, is his bottomless cynicism about the game of politics and the people who play it, coupled with a belief that he can beat them at their own game. Only the last proposition remains open to dispute.

Early in Mr. Biden's term I suggested his would be a hand-waving presidency, except for his Afghanistan withdrawal, the "only action so far likely to leave any mark on history."

And maybe this was all that was needed from him: "to allow the passage of time while the Trump fever passes, on both sides of America's divide. At least we can hope he realizes it."

Today Joe Biden is the

same lovably self-important pol we always knew, trying to force himself on the country despite age, despite Democratic voters' clear preference for a different candidate.

He's the same Mr. Biden in conveniently forgetting that he's only president now because of an old-style coalescing of elites around a Biden campaign in 2020 that was flailing just like 1988's and 2008's. Led by Rep. Jim Clyburn and Mr. Biden's 2020 rivals Pete Buttigieg and Amy Klobuchar, he was made default nominee in a year when he could campaign from his basement and be pushed over the top by an anomalous flood of mail-in ballots.

The Joe Biden I don't recognize is the one whose pater has become a suggestive echo of his many progressive bullies, the one who goes out of his way to slur not just Mr. Trump but Mr. Trump's 74 million voters, as if doing so is the way to conjure a second term out of a 40% approval rating.

This may be the real impairment. I grew up in the Philadelphia TV market and followed his Delaware career since his first Senate race in 1972. Mr. Biden's redeeming quality was always his ability to understand what the country was thinking. Its apparent erosion may come at the worst time. The next president will need to rally a dubious electorate to support Ukraine, Israel and Taiwan amid the most dangerous international moment in memory.

Ukraine May Have to Accept a Cease-Fire



POLITICS & IDEAS
By William A. Galston

The word "crisis" is overused, but it accurately describes what Ukraine faces as 2024 begins.

According to a recent report in the Washington

Post, troops on the front line are running out of ammunition. Artillery shells are being rationed, forcing the Ukrainians to cancel planned assaults and making it hard to hold defensive positions against Russian attacks. A press officer for a Ukrainian battalion recently said that ammunition shortages had forced his unit to reduce its rate of firing by 90% since the summer. "We lack everything," a member of another unit said. Although his comrades are highly motivated, he added, "You can't win a war only on motivation." He doubted they could hold their position much longer.

As Ukraine struggles, its allies dither. Congress went home for the holiday without resolving the legislative impasse over continuing U.S. aid for Ukraine. Hungary's pro-Russian leader vetoed the European Union's proposed \$52 billion assistance package. If these logjams aren't broken soon, Ukraine's ability to sustain the war, its economy, and the basic functions of its government will be jeopardized.

This is an all-hands-on-deck emergency. If negotiators can't reach a deal by the time

the Senate reconvenes, President Biden must get directly involved. There is little doubt that an agreement would include provisions on immigration that many Democrats won't like, but that's the price he must pay for allowing the situation at the southern border to spin out of control. Meanwhile, European nations must muster the political will to provide Kyiv with country-to-country aid if bribes and threats can't force Hungarian Prime Minister Viktor Orbán to end his opposition to the EU plan.

The West also must seize frozen Russian central-bank assets in Western financial institutions and use them for Ukraine's benefit. In November, the House Foreign Affairs Committee advanced a measure to do this by a vote of 40-2, and a similar proposal received unanimous support from a European Parliament committee. Until recently, senior Biden administration officials had expressed concerns that seizing Russian assets would set a precedent with unpredictable consequences. But as Ukraine's plight has worsened, the administration has intensified discussions with European allies about a coordinated strategy to redeploy Russian assets on Ukraine's behalf, with a target date of Feb. 24—the second anniversary of the Russian invasion—to reach an agreement. Mr. Biden should spare no effort to ensure the success of these talks.

Even if aid for Ukraine is renewed, it is essential to

consider a realistic ending for the war. Ukraine's insistence on regaining all the territory Russia has seized since 2014 is understandable and legally impeccable, but events over the past year have made it clear that this goal can't be achieved anytime soon. Ukraine's vaunted counteroffensive failed as Russia's reinforced defenses held. Russia's

The good news is it would open the door to eventual EU and NATO membership.

economy has proved more resilient than expected, and it is ramping up military production much faster than Ukraine and its allies. The conflict has exposed the hollowing out of the West's defense industrial base, in Europe especially and to a considerable extent in the U.S. The West's collective inability to provide Ukraine with the artillery shells it needs is evidence of neglect that will take years to remedy.

Ukrainian President Volodymyr Zelensky recently disclosed that Ukraine's military leaders wanted to mobilize an additional 500,000 troops, which would require unpopular changes to Ukraine's draft laws and additional outlays of \$13 billion. While Russian President Vladimir Putin has also been mindful of political considerations, Russia's manpower pool is about four times the size of Ukraine's,

and its economy is nine times as large.

Recent reports, which Mr. Putin hasn't denied, suggest that he is ready to agree to a cease-fire along the current battle lines. Although he is unwilling to retreat, these reports indicate that he had shelved his aim to dominate all of Ukraine.

There are good reasons to be skeptical that Mr. Putin has pared his ambitions in Ukraine, which are part of his plan to reconstitute the Soviet empire, the collapse of which he has termed the greatest geopolitical catastrophe of the 20th century. Still, Western leaders should explore whether he is serious about ending the fighting. It would be unwise to assume that public opinion in the West will indefinitely support an open-ended commitment to a conflict that has settled into a stalemate.

A cease-fire wouldn't imply recognition of Russia's territorial claims, and it would open the door to measures that would anchor Ukraine to the West, including eventual membership in the EU and North Atlantic Treaty Organization. In the meantime, Russia's frozen assets could be used to reconstruct Ukraine.

This arrangement would be a bitter pill both for the Ukrainians, who are passionate about regaining all their territory, and for Mr. Putin, who fears the prospect of a new power linked to the West on Russia's border. But it is the only realistic path to a lasting peace in Europe.

BOOKSHELF | By Philip Terzian

Why Can't We All Get Along?

Mansfield and Dirksen

By Marc C. Johnson
Oklahoma, 296 pages, \$29.95

Political Washington is a kingdom of mythology—the Vietnam War was ended by the antiwar movement, journalism is the first draft of history—and among its most enduring legends is the loss of congressional bipartisanship.

Depending on the age of the faithful, the golden age of political comity seems to have been when Speaker of the House Sam Rayburn, a Democrat, would invite senior Republicans to his hideaway office on Capitol Hill and work things out over rounds of bourbon and branch water. Or perhaps it was the decade when another Democratic speaker, Tip O'Neill, would join President Ronald Reagan on late White House afternoons to exchange Irish stories and, between laughs, seek common ground.

It's a comforting thought and a commendable ideal and, as with most legends, there are kernels of truth in it. But was there ever really such a thing?

In "Mansfield and Dirksen: Bipartisan Giants of the Senate," Marc C. Johnson, a Montana-based historian, tells a story from the modern annals of the upper chamber and, in so doing, reveals himself as a believer. The Senate of the 1960s, he laments, "no longer exists." It is "an artifact of political history, a relic of an era

when substantial elements of both political parties, and their leaders, considered it imperative to overcome their partisan inclinations in order to find common ground and advance progress on enormous national challenges."

By any measure the Senate of a half-century ago was a very different place from the Senate of today, just as the Senate of Mr. Johnson's central figures—Majority Leader Mike Mansfield and Minority Leader Everett Dirksen—was very different from the Senate of 50 years before that. Still, to illustrate his larger point, Mr. Johnson has chosen a pivotal decade in American history, the 1960s, and two senators who, in striking ways, differed from each other and from their forebears and successors. It is in his double portrait, thesis aside, that Mr. Johnson's narrative is most valuable.

Mansfield, a son of Irish immigrants, grew up poor in Montana, was a habitual runaway, and, after languishing in an orphanage, joined the Navy (at age 14) during World War I, and, over the next five years, managed to serve in the Army and Marines as well. Returning home, he labored in copper mines until resuming his education, eventually earning a master's in history and teaching at the University of Montana. He was elected to the House in 1942 and the Senate a decade later.

Dirksen, the son of German immigrants, grew up in slightly more comfortable circumstances in downstate Illinois, studied law and was an artillery officer on the Western Front in World War I. He worked in his family's bakery business, wrote plays and short stories in his spare time, and after serving on the Pekin, Ill., city council was elected to the House in 1932 and the Senate in 1950. He became minority leader in 1959.

Mansfield was, by the standards of his time, a moderately liberal Democrat who, consistent with his Montana roots, held slightly heterodox views on Cold War foreign policy: He was memorably critical of the Vietnam War and routinely called for steep U.S. troop reductions in NATO. Dirksen's allegiance to Republican dogma was variable: He began as a lukewarm supporter of the New Deal, embraced the isolationism of the GOP's right wing, admired Joseph McCarthy and thereafter moved gradually leftward.

Two senators with different party affiliations and contrasting personalities felt mutual affection and even tried to work in a bipartisan spirit.

A reserved, almost ascetic character with a stolid face and slicked-down hair, Mansfield was known for his economy with words and his passive, even indulgent, leadership style. (He succeeded Lyndon Johnson as majority leader in 1961.) Dirksen, by contrast, was alternately humorous and melodramatic in manner, his broad, shambling frame encased in loose-fitting garments, his rubbery face topped by an unruly pompadour. In oratory, his low-pitched, discursive, mannered style earned him a nickname as "the Wizard of Ooze."

Mr. Johnson's thesis is that opposites attracted, in this instance, and that the Mansfield-Dirksen partnership was not merely personal—he makes a persuasive case that their mutual affection was genuine—but a model of the way the system was intended to work. The bipartisan spirit of the age, he believes, made the 1960s Senate an ideal of informed debate, pragmatic compromise and, not least, historic progress.

But of course, progress and the smooth machinery of democracy are in the eye of the beholder, and here the author tips his hand. For the legislative achievements he celebrates—the Nuclear Test Ban Treaty (1963), Civil Rights Act (1964), Voting Rights Act (1965), Medicare (1965) and others, including the Fair Housing Act (1968)—were all instances of the minority deferring to the majority. Mansfield was invariably courteous, and Dirksen won occasional skirmishes, but the die was always cast not by civic harmony but by cold arithmetic.

For the half-century after 1930, Democrats almost always enjoyed commanding majorities in the Senate and House. For two intervals (1947-49, 1953-55), Republicans were briefly in the majority. Yet it was not until 1980 that the GOP won the Senate for successive terms, and it was not until 1994 that, after 40 years, Republicans took control of the House. In the course of the Mansfield-Dirksen decade that Mr. Johnson idealizes, the Democrats had the numbers to push through LBJ's Great Society initiatives and a good deal more, dramatically expanding the size of government and setting in motion social and political trends that warn us of the law of unintended consequences.

It is fair to regret the eclipse of bipartisanship on Capitol Hill. But it is equally fair to wonder, as we are urged to deplore the "partisanship" of the current moment, whether the culture of political Washington has ever reconciled itself to the equal standing of Republicans with Democrats.

Mr. Terzian is the author of "Architects of Power: Roosevelt, Eisenhower, and the American Century."

Gaza Can't Be Peaceful Without Jews

By Eugene Kontorovich

President Biden has declared a set of principles for Israel's role in postwar Gaza: "no forcible displacement of Palestinians from Gaza, no reoccupation, no siege or blockade, and no reduction in territory." A fifth one is implicit: no Jews in Gaza. The administration hasn't insisted that a future Palestinian government must allow Jews and Arabs to live "side by side in peace," as they do in Israel.

The idea of Jews living in postwar Gaza may seem improbable, but Gaza hasn't always been Jew-free. In modern times, a significant community existed as far back as the 1500s. In the late 19th century, while the region was under Ottoman rule, a new wave of Jews moved in and established a flourishing trade community. Most left after the Arab riots in 1929. When Israel recaptured Gaza from Egypt in

1967, thousands of Jews moved there, establishing the communities that came to be known as Gush Katif. Israel's army pulled out of Gaza in 2005, taking the civilians with it.

It's surely true that Jews couldn't live for long in the postwar Gaza Mr. Biden envisions, under a "revitalized

Living 'side by side' doesn't mean much if only one side is expected to do it.

Palestinian Authority." But that demonstrates that his vision isn't one of a peaceful, deracialized entity.

Consider the story of Jews in Germany, which committed the worst atrocities against Jews in history. After the war, under Allied occupation and in 1929. When Israel recaptured Gaza from Egypt in

teen thousand Jews, many from Eastern Europe, decided to live in West Germany after the war. They established organized communities and lived openly and safely among those who had sought to wipe them out years before. The German Jewish community has since grown to 120,000.

The choice to live in Germany in the decades after the war was controversial among Jews, but it wasn't a death sentence. The Jewish communities in postwar Germany are emblematic of the country's transformation from a systemic aggressor to the anchor of European peace. Similarly, Austria, whose Jews were almost entirely murdered or deported, now has a vibrant Jewish community, with multiple synagogues and kosher restaurants.

Had the Germans turned on the Jews settling there after the war—as happened in Poland in the 1946 Kielce pogrom—it is likely that the Allies wouldn't have been

satisfied as quickly as they were that Germany was safe for the world.

The U.S. and Israel agree that whoever rules Gaza after Hamas must make a clean break from the current terror gangs. The clearest test for whether that has been achieved is the same as it was in Frankfurt and Vienna: whether Jews can establish communities there. That can be made possible only the way it was in Germany—by the prolonged control and indefinite security presence of the victorious army.

The existence of safe Jewish communities in Gaza could eventually make Israel confident enough to withdraw. By contrast, as we've seen in recent months, if Jews aren't safe in Gaza, they won't be safe in Israel either.

Mr. Kontorovich is a professor at George Mason University Scalia Law School and a scholar at the Jerusalem-based Kohelet Policy Forum.

OPINION

REVIEW & OUTLOOK

President Gay Falls at Harvard

Claudine Gay's resignation Tuesday from the presidency of Harvard is a measure of accountability amid scandals on campus antisemitism and plagiarism. Her leadership had clearly become a drain on the school's reputation. The question is whether the Harvard Corporation that chose her and presided over this debacle will rebalance by installing an educator who isn't afraid to challenge the school's dominant and censorious progressive factions.

In the months since Hamas brutally murdered Israeli civilians on Oct. 7, the atmosphere on Harvard's campus has been hostile to Jewish students. During one rally, the *Crimson* newspaper reported, a student "led the crowd in a chant of 'Long live Palestine; long live the intifada; intifada; globalize the intifada.'" Rabbi Hirschy Zarchi of Harvard Chabad said Dec. 13 that a menorah couldn't be left outside on campus overnight, "because there's fear that it'll be vandalized." Sen. Dan Sullivan described on these pages the intimidating scene inside the school's Widener Library.

That was only days after Ms. Gay's disastrous testimony to the House, which also prompted the University of Pennsylvania's president to quit. Asked about chants to "globalize the intifada," Ms. Gay said such calls were "hateful," "abhorrent," and "at odds with the values of Harvard," but she would not say that they violated the code of conduct.

Ms. Gay's focus was what constitutes actionable bullying or harassment under First Amendment principles. But the double standard on her campus is obvious, and the presidents struck many Americans as smugly dismissive. Ms. Gay soon apologized, saying she

"failed to convey what is my truth," a thoroughly modern thing to say at an institution whose venerable motto is *Veritas*. "Her" truth, as opposed to the truth, which is what *veritas* is supposed to stand for.

Then came allegations that passages of text in Ms. Gay's academic papers had been duplicated, sometimes almost verbatim, from other scholars. Harvard initially told the *New York Post* that plagiarism claims were "demonstrably false," via a letter from a law firm with experience in defamation lawsuits, before admitting "inadequate citation" after stories about the allegations broke.

The Harvard Corporation has embarrassed itself throughout these controversies, declaring as recently as Dec. 12: "Our extensive deliberations affirm our confidence that President Gay is the right leader to help our community heal and to address the very serious societal issues we are facing." The process of finding a new president, it said Tuesday, "will begin in due course." In the interim, the role will be filled by Provost Alan Garber.

The prescription should be clear, at Harvard and beyond. What has been happening on college campuses results from the failure of leaders to support traditional liberal values of free inquiry and debate. Prestigious institutions are racked with ideological protest from a contingent of students and many faculty who seem to care more about activism than learning. Despite the distraction, or worse, that this poses to good academic work, administrators keep flinching instead of drawing hard lines.

It's time to try the opposite. Perhaps Larry Summers is available to give it another go.

Her resignation offers a chance for an educational reset.

The Saudis Stumble Over BRICS

Saudi Arabia and Israel have quietly been negotiating a peace deal that would be greased with a U.S.-Saudi defense treaty. So why is Saudi Crown Prince Mohammed bin Salman putting that at risk by joining the BRICS group of nations?

That's the question that emerged Tuesday as Saudi state TV said the Kingdom has officially joined the BRICS bloc. BRICS stands for Brazil, Russia, India, China and South Africa, the group's longtime members. They began as developing nations bent mainly on growth.

But in recent years, led by China and Russia, the BRICS have evolved into a diplomatic bloc bent on countering Western influence. The bloc would like to create an alternative system of global finance that is less dependent on the U.S. dollar for transactions and would be less vulnerable to Western sanctions.

Chinese President Xi Jinping in particular has been urging the BRICS to expand in order to increase their clout against the U.S. and its allies. Last year the group issued invitations to the Saudis, United Arab Emirates, Egypt, Iran, Ethiopia and Argentina. New Argentine President Javier Milei has turned down the invitation, which shows good judgment given how much his country needs Western financing. The BRICS get him nothing.

The same can't be said for the judgment of the Saudis. Negotiations over a rapprochement between the Kingdom and Israel have been in recess since the Israel-Hamas war that

began on Oct. 7. But our sources say both sides would like to resume talks once the war ends, and negotiations are close to 70% done.

The Saudis want Mideast stability to focus on modernization and economic development. Crucial to that stability is a security guarantee from the U.S. akin to what Washington has with Australia and Japan. This would be insurance against Iranian-Shiite aggression.

The question is why a country seeking such a guarantee would align itself with a bloc of nations that now includes Iran, Russia and China—America's main global adversaries. Russia—meaning Vladimir Putin—is the BRICS president pro tem in 2024. That hardly sends a reassuring message to the U.S. Senate, which would have to approve a defense treaty with 67 votes. Those votes won't be easy to get as it is, given hostility on the Democratic left to the Crown Prince.

South Carolina Republican Sen. Lindsey Graham put the point squarely in a tweet on Tuesday: "Does the United States Senate view a country joining BRICS as an effort to enhance that nation's relationship with the U.S.?" He also asked whether a country aligned economically with Iran—"a state sponsor of terrorism under U.S. law"—would be subject to U.S. sanctions against Iran.

The Biden Administration may not be warning off the Saudis from joining the BRICS. But somebody should if the Crown Prince really wants a defense pact with the U.S.

Israel's Justices Divide and Rule

There was no good reason for Israel's Supreme Court to rush and every reason to wait. "United we win" is the ubiquitous slogan on the Israeli home front, where even bitter rivals have formed a wartime unity government. By acting now to quash the remnant of judicial reform, the court risks plunging Israel into the peacetime squabbles of Oct. 6—and the ruinous, provocative months that preceded it.

In an 8-7 decision on Monday, Israel's court struck down the "reasonableness" law passed in July. This is the first time the court has overturned part of a Basic Law, akin to a constitutional amendment. It isn't too much to call this Israel's second "judicial revolution."

The first that went by the name, in the 1980s and 1990s, saw the Israeli court claim unusual powers to interfere in political decisions. Its architect, Chief Justice Aharon Barak, nonetheless pledged in 1992 to rule "in complete subservience to the words of the Basic Laws." He explained that "the people are sovereign, and the Basic Laws are supreme."

That changed on Monday. As the *Times* of Israel writes, the justices can now tell the Knesset "not only when its regular laws violate the rules of the game, but what the rules of the game can actually be." Chief Justice Esther Hayut appealed to the principles of Israel's Declaration of Independence to grab this power.

The court hurried to issue a divisive ruling, though delay and unity is surely in the country's interest, because in two weeks the majority behind it will be no more. Justices Hayut and Anat Baron retired in mid-October and can join decisions only until mid-January. Both voted to overturn the law.

If the government had behaved this way, rushing past an institutional conflict of interest to allow outgoing members to cast significant

deciding votes during wartime, the court might have deemed the action "unreasonable."

That was the judicial doctrine at issue. After the government's reform proposals met stiff popular resistance, only one token change passed the Knesset: no more using "unreasonableness" as the sole factor to block a government decision.

As Justice Yael Willner explains in a dissent, government decisions would still have had to meet the court's standards of legitimate authority, valid process, good faith, pertinent considerations, proportionality, nonarbitrariness and antidiscrimination. The justices would hardly have been left defenseless against executive overreach.

Unwilling to cede an inch, Israel's court has seized another mile. It had other options. Many of the 12 justices who claim the right to overturn Basic Laws voted against exercising it in this case, preferring to interpret the new law narrowly instead. That would have mitigated any perceived danger. But the eight in the majority chose to salt the earth.

In the short run, the court will be rewarded for its timing. Its critics have pledged to put the matter off until the war is won, lest domestic disorder undermine the war effort and encourage Hamas and Hezbollah.

In the long run, the court may find that it has harmed itself while killing a reform package that was politically all but dead. Benny Gantz, the opponent of Benjamin Netanyahu who could be Israel's next Prime Minister, now says that after the war, "We will need to decide relations between the branches of government and legislate a 'Basic Law: Legislation' that will anchor the status of Basic Laws."

Mr. Gantz could now find broad consensus—precisely what Israel's government had lacked before and Israel's court lacks today for its willful wartime decision.

LETTERS TO THE EDITOR

U.S. Feeds the Cycle of Palestinian Violence

Seth Cropsey makes timely suggestions for U.S. policy in the Middle East ("America Needs a Middle East Strategy," op-ed, Dec. 27). Before they can be implemented, however, it will be necessary to abandon failed and ineffective policies of the past.

Foremost among these is the cyclically recurring practice of trying to buy peace with Western money. Every time the Arab-Israeli conflict erupts in violence, the response of the U.S. and much of Europe is to send money, ostensibly to promote the development of "democratic" institutions and "improve" the lives of people whose desperation may lead them

to turn to violence as a solution.

As the money begins to run out, the leaders of the uprising need to support their lifestyles, pay their fighters and improve their infrastructure. In an almost surreal Pavlovian response, violence again elicits a vast outpouring of money, even though it is well known that much of it will go to support the next cycle of violence.

An enlarging industry of conflict has developed over time. This destructive cycle will have to be ended before a more effective strategy can be implemented.

JIM BYRNE
Wolverine, Mich.

No 'Pat on the Back' for the Federal Reserve

I strongly disagree with John Cochrane's op-ed "The Federal Reserve Deserves a Pat on the Back" (Dec. 27). Recent disinflation doesn't excuse the central bank's hyperinflationary monetary expansion that followed the onset of the Covid pandemic.

From March 2020 to March 2022, the M2 money supply (currency plus bank deposits) increased by 40%, exceeding any other two-year period since 1871. Well into 2022, when the economy was recovering rapidly, Fed Chairman Jerome Powell continued aggressive monetary easing, buying mortgage-backed securities amid one of the biggest housing booms in U.S. history. He called the inflation "temporary" and claimed the soaring money supply had no relation to accelerating prices.

Mr. Cochrane plays down the importance of the money supply because the Fed's balance sheet hasn't recently correlated with inflation. But Nobel Prize winner Milton Friedman pointed out that M2, not the Fed's balance sheet, is the most important monetary variable for determining future economic activity.

Certainly, the unprecedented fiscal stimulus that followed the pandemic increased spending. But the subsequent monetary explosion was the Fed's doing. Instead of effectively printing the money and handing it to the Treasury, Mr. Powell should have instructed the government to access the bond market and borrow the funds. This would have raised interest rates much earlier and greatly reduced the inflationary impact of the fiscal expansion.

Even if the central bank gets the endgame right, lauding the Fed's performance is like praising a driver who

recklessly runs down a pedestrian but manages to get him to the hospital in time to save his life.

PROF. JEREMY J. SIEGEL
Univ. of Pennsylvania, Wharton School
Philadelphia

Fifty years ago, Milton Friedman recommended that central banks pay depository institutions interest on the deposits they're required to hold against their deposit liabilities. But the Fed wasn't legally able to begin paying such interest until the Financial Services Regulatory Relief Act of 2006, authored by Sen. Mike Crapo (R., Idaho), allowed it to do so in 2008.

If anyone "deserves a pat on the back" for this significant Fed policy improvement, it's Friedman and Mr. Crapo, not the Fed.

SEAN McDONNELL
Plymouth, Minn.

Mr. Cochrane writes that "the Fed can costlessly buy bonds and issue interest-paying money." To the contrary, by following exactly this formula, the Fed has so far accumulated net losses of about \$130 billion for itself, the Treasury and the taxpayers, and there are unavoidably tens of billions in losses still to come.

This "costless" formula meant the Fed took massive interest-rate risk, investing very long and borrowing very short, thereby also imposing that risk on the Treasury and the taxpayers. For the Fed as for anybody else, taking interest-rate risk isn't costless. It has proved far more costly than the Fed ever expected.

ALEX J. POLLOCK
Senior fellow, Mises Institute
Lake Forest, Ill.

The Rush to Regulate: We've Been Here Before

Yuval Levin is right to caution against the impulse to regulate AI in a state of panic ("Artificial Intelligence and the Law of the Horse," op-ed, Dec. 22). Biotechnology was in a similar position in the early 1980s as research in recombinant DNA began to yield new medicines, pesticides, crops and more. As today with AI, white papers from the regulatory agencies were piling up. Then-Sen. Al Gore proposed a new agency to govern all biotechnology.

Instead, the White House called together the research and regulatory agencies and instructed them to sort out their concerns and jurisdictions. The result, in 1986, applied existing statutes along with the principle that regulators should focus on actual risks of the product, rather than imaginary risks of the technology used to make it.

A lawsuit that challenged the new framework as the product of an obvious interagency conspiracy was dismissed by a federal judge, who noted, "While it may be unusual for federal agencies to coordinate with each other, it is not actually illegal."

BRIAN MANNIX
Gainesville, Va.

There Is Danger in Starting 'Reconciliation' Too Soon

Travis Reed wonders if the spirit of reconciliation of 1872, which conferred amnesty on Confederate rebels, can be resurrected for 2023, presumably to forgive Donald Trump's insurrectionist transgression (Letters, Dec. 29). The amnesty of 1872, however, was followed by the end of reconstruction in 1876, upon the withdrawal of the Union military occupation from the South. There followed a war of white southerners on African-Americans, with attendant lynchings, followed by the establishment of the Jim Crow system.

The amnesty of 1872 was obviously premature. That is the lesson for 2023.

EM. PROF. ALBION M. URDANK
University of California, Los Angeles

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

In arguing by analogy that "regulation of the internet largely began through the existing apparatus of American government," Mr. Levin omits the key point that Congress didn't stop at declining to regulate the internet. In Section 230 of the Communications Decency Act of 1996, it removed the market-based guardrails afforded by the ability of citizens to seek redress in civil courts when wronged by internet actors.

The result? Nearly three decades later, we are subjected to an internet rife with disinformation, hate speech, graphic violence and human trafficking and other content that fails all tests of fairness and decency. The realization that we took a wrong turn informs an urgency to apply that lesson to newer technologies, of which AI is only one.

But regulation isn't the only form of consensual safekeeping. Codes of conduct voluntarily adopted by organizations and reviewed by independent third parties could, for example, prove more effective.

TIM WOOD POWELL
New York

If You Really Want to Save

Regarding Mark Penn's op-ed "How to Save a Billion Hours" (Dec. 28): The same concept applies to health practitioners' use of electronic health records, except the hours saved would be measured in the trillions.

NANNETTE HOFFMAN
Gainesville, Fla.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I love these little talks."

OPINION

Trump vs. Woke: Let the People Decide

By Lance Morrow

S henna Bellows, Maine's secretary of state, has ordered Donald Trump's name removed from the Republican primary ballot. Invoking Section 3 of the post-Civil War 14th Amendment, Ms. Bellows claims Mr. Trump engaged in insurrection against the U.S. when he did whatever he did, or didn't do, on Jan. 6, three years ago this week. Recently, Colorado's Supreme Court ordered Mr. Trump's name deleted from that state's Republican primary ballot for the same reason. Other states have been toying with the idea. It's up to the U.S. Supreme Court to decide whether the disqualifications are constitutional.

The justices may decide the matter on narrow or legalistic grounds—by a close parsing of the 14th Amendment, and of the term “insurrection.” They must rule on whether Mr. Trump's rhetoric, actions or failures to act on that day amounted to a violent uprising against the American government. Two powerful lines of argument clash:

1. In such a dispute, a democracy must revert to its essential idea: the sovereignty of the people. It isn't for unelected judges, or provincial officials, to make such a decision. The people themselves, in their millions, must render their verdict in the voting booth.

2. Wait. Mr. Trump attempted to subvert American democracy by encouraging his followers to seek to overturn the people's verdict in 2020. He summoned them to Washington, and, while he watched from the White House, his people, at his urging, marched to the Capitol; they became a mob and invaded democracy's sanctum sanctorum. People died. Was that not insurrection? Wasn't Mr. Trump actionably slow to do anything or say anything as the attack went on and on through the afternoon? A man who has so menaced



Donald Trump in Reno, Nev., Dec. 17.

democracy itself has disqualified himself from the privilege of democratic process. He carried America back to 63 B.C., when Catiline, having been defeated in Rome's consular elections, tried to overthrow the duly

Both might be disqualified as a threat to democracy. Leaving it up to the voters seems the only option.

elected consuls, Cicero and Gaius Antonius Hybrida. For such a deed, Mr. Trump's enemies only want to take him off the ballot—or, via special counsel Jack Smith's prosecution, maybe put him in prison. Catiline and his co-conspirators died for what they did.

Argument No. 2 escalates; it conjures monstrous possibilities. Should a demagogue be permitted to use the rules of democracy (let the people decide) in such a way that, once he has been legally elected to office, he might turn dictator, declare an “emergency” and dismiss the demo-

cratic process that brought him to the White House? Hitler did that, the anti-Trumpians will say, after being legally installed as Germany's chancellor in 1933. He demonstrated that a democratic election may be the path to dictatorship and national ruin—just as, the Trump side will respond, a “people's revolution” on the left almost always ushers in a totalitarian regime. The result in either case is the same: the destruction of democracy and soon, of freedom.

In America in 2024, who, or what, is the real threat? Mr. Trump? Or the left? It's a harder question than either side will admit.

The justices should entertain the possibility that the ambitions of the progressive woke and the soft-left elites have introduced an intolerant ideology—and a habit of mob behavior—that has done lethal damage to freedom of expression and thought, to say nothing of excellence, in American universities, public education, corporations, cultural institutions, big media and government. Their doctrine, damning Mr. Trump's MAGA as the Bad America—Mr. Hyde to the left's virtuous Dr. Jekyll—tolerates no viewpoint that disagrees with

its own. Self-righteous progressives, needless to say, don't recognize themselves in that reading of their saintly program.

It's Mr. Trump who lies, the left will say. It's undeniable he does. But, the Trumpian right replies, progressive America has become an entire culture of lies: Nothing is true except “my truth”—and the party line. Men aren't necessarily men and women aren't necessarily women. Doctors or midwives merely “assign a sex” to a newborn. Mediocrity gets an upgrade; a student worthy of a C-plus under the old regime may now graduate summa cum laude. One must never hurt the feelings of mediocrities. An appeal to excellence is racist oppression. Western Civ has got to go.

The Trumpian threat emanates from one egregious man and his massive following, citizens who, however, don't consider themselves or their leader to be a threat at all but, rather, the better bet under these dreary circumstances. The faithful of the progressive left, every bit as cultish as Trumpians are alleged to be, consider themselves and their doctrines as the path to righteousness.

There's the problem: The case for disqualifying both the flawed and tainted Mr. Trump and his flawed and tainted opponents on the left (including Mr. Biden) is strong. In a perfect world, that's what would happen. But in such a bind as this—in this depressing equilibrium of negatives—a decision for one side or the other would require the Supreme Court to disenfranchise half of the country. The sane course is to disqualify neither. Let the people vote on it. And let all sides hope that by 2028, the country will have brought forth a new generation, offering a better choice of leaders and, let us say, more grown-up ideas.

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

No Shortcuts On Nuclear Deterrence

By Rebecca L. Heinrichs

The most dangerous global security development at the dawn of 2024 is China's and Russia's reliance on nuclear weapons to break the U.S.-led order. Russia is concluding a nuclear recapitalization effort and uses nuclear threats against Ukraine and the North Atlantic Treaty Organization. China is expanding its nuclear forces and engaging in dangerous military behavior in international waters to threaten Taiwan. Moscow may be helping Beijing expand its warhead production capacity through Russia's state-owned Rosatom, which has provided enriched uranium for China's fast-breeder reactor. The U.S. plan begun in 2009 to update the nation's nuclear deterrent can't deter China and Russia simultaneously over the next decade. This was a conclusion of the recent report from the nonpartisan U.S. Strategic Posture Commission, on which I served as a commissioner.

Handling both Russia and China is a major challenge for the U.S. but targeting cities isn't the solution.

The White House may be tempted to address the problem with shortcuts. A very bad one would be training nuclear weapons on an enemy's cities, known in military jargon as “countervalue targeting” or “counter-city targeting.” For five decades, Washington has rejected the intentional targeting of cities.

Keir Lieber and Daryl Press, among others, disagree. They argued for targeting opponents' cities to avoid an “excessively demanding approach to deterrence.” Targeting cities might limit the number of U.S. weapons needed for deterrence, but there are three reasons the U.S. should continue its current policy while updating its nuclear force posture to meet new challenges.

First, threatening to nuke societal targets has a high risk of deterrence failure. Five decades ago, President Nixon's defense secretary, James Schlesinger, rejected a policy of threatening to wipe out entire cities. He argued that to make U.S. nuclear deterrence more credible to the Soviets, who had amassed a large nuclear force, Washington needed to target what the Soviet regime prized most: the regime itself, its strategic and conventional systems, the apparatus it used for domestic control, and its industrial ability to wage war. Threatening to target Soviet cities and intentionally kill civilians wasn't likely to deter the Soviets from their imperialist agenda.

Second, if deterrence fails, the U.S. should have various nuclear responses to persuade an adversary to stand down. Schlesinger argued that responding with limited U.S. targeting options, rather than a crippling strike, while holding in reserve U.S. capability to target the Soviet regime and military, would provide the greatest incentive for mutual restraint. Proponents of targeting cities argued at the time that targeting the enemy's weapons would “destabilize” deterrence and prompt an arms race. This argument is making a comeback as the U.S. seeks to deter China and Russia simultaneously. But for decades this is how the U.S. has sought to deter major war and deterrence has held. Changing it now when the stakes are so high and when we have other options would be deeply unwise. Nuclear strategist Keith Payne writes in his rebuttal of Messrs. Lieber and Press that changing decades-long deterrence policy because of a claim that the way we do it now is “destabilizing” places “the burden of proof” on those making the claim. But the evidence isn't there.

Third, seeking to deter while minimizing civilian casualties is morally just and abides by the U.S. application of the Law of Armed Conflict. If civilian leaders and military officials overseeing a mission have moral confidence in it, everything from planning to rhetoric and military advice will likely bolster the credibility of U.S. deterrence.

Detering two hostile nuclear peers is America's highest priority. The nuclear posture designed to do this will require more deployed systems than were planned when China wasn't considered America's primary challenger. But as military-related targets inside China and Russia multiply, so will the demand on the U.S. deterrent. As the risks rise, national leaders must work together and with America's closest allies to strike the right military posture. Now is not the time to resort to shortcuts.

Ms. Heinrichs is a senior fellow at the Hudson Institute and a member of the Congressional Commission on the Strategic Posture of the U.S.

No, the Criminal-Justice System Isn't Racist



UPWARD MOBILITY
By Jason L. Riley

The notion that the U.S. criminal-justice system is stacked against black people has gained currency since the death of George Floyd. It's often cited as a basis for everything from ending cash bail and closing prisons to legalizing drugs, decriminalizing petty theft and offering reparations to the descendants of slaves. But is it supported by the evidence?

Not according to a new academic paper by two Stetson University sociologists, Christopher Ferguson and Sven Smith. After analyzing 51 studies on sentencing disparities that were published between 2005 and 2022, they conclude that “overrepresentation among perpetrators of

Another academic paper finds scant support for the theory that bias causes incarceration disparities.

crime explains incarceration disparities to a greater degree than does racism in the criminal justice system.” In other words, blacks are incarcerated at higher rates than other groups because they commit crimes at higher rates, not due to systemic bias.

Some of the studies found that “race had little clear impact on criminal adjudication,” while others found that “Black defendants receive more lenient sentences than Whites.” Tellingly, the authors note that “better quality studies were less likely to produce results supportive of disparities,” which raises the possibility that conventional wisdom about race and criminal justice is not only misguided but also drawing on sloppy research.

“Our results suggest that for most crimes, criminal adjudication in the U.S. is not substantially biased on race or class lines,” the re-

searchers write. “For drug crimes there appear to be very small race differences, though confidence in these effects is reduced somewhat due to the quality of many of the studies involved.” These findings, they stress, do not mean “there is not potential for bias in other areas such as police treatment, arrests, or other outcomes,” but “Overall, perceptions of bias in US criminal adjudications do not seem proportionate to the available evidence.”

Some will be eager to dismiss the paper, but it isn't an outlier. In 2016 Harvard economist Roland Fryer published research on policing that also countered the preferred narrative of social-justice advocates. Mr. Fryer found no evidence of racial bias in fatal police shootings, which he told the New York Times had surprised him. He did find large racial differences in police use of nonlethal force—grabbing and shoving suspects, for example—but concluded: “It is plausible that racial differences in lower level uses of force are simply a distraction and movements such as Black Lives Matter should seek solutions within their own communities rather than changing the behaviors of police and other external forces.”

In 2019 psychologists Joseph Cesario of Michigan State and David Johnson of the University of Maryland published findings that were similar to Mr. Fryer's. After controlling for race-specific violent-crime rates, they found “no significant evidence of anti-black disparity in the likelihood of being fatally shot by police.” Mr. Fryer has stood by his work, despite considerable blowback, but following the death of George Floyd in 2020, Messrs. Cesario and Johnson retracted their paper.

All the empirical evidence under the sun might not stand a chance against a viral video of Derek Chauvin kneeling on George Floyd, but Messrs. Ferguson and Smith deserve credit for following the facts where they lead and reporting the politically incorrect findings. Academic integrity and courage seem to be in short supply these days, and the pa-

per performs a public service for people who put hard data above political spin.

The authors suggest that policy makers focus on poverty to address these racial imbalances. It's true that the poor are more likely to engage in violent crime, and that blacks are more likely to be poor. But it's also true that black violent crime rates were significantly lower in the 1940s and '50s, when the black population was significantly poorer than it is today, and when racism inside (and outside) the criminal-justice system was rampant and overt.

One difference between then and now is the rate of absent fathers in black communities. Our jails and prisons aren't teeming with people from intact families. Yet the disintegration of the nuclear family and

other cultural problems in low-income neighborhoods where violent crime is common is a topic that few people in academia, politics or the media wish to tackle.

“At present, we believe that the evidence on racial bias in criminal justice adjudication has been poorly communicated to the general public and policymakers,” Messrs. Ferguson and Smith write. “In many cases, it appears that data calling into question beliefs in structural racism in the criminal justice system are simply being ignored, both by scholars in the field and by policy makers.”

Blaming black outcomes on the criminal justice system will do little to help the black underclass, but it helps activists raise money, and it helps politicians secure votes. Don't expect it to stop anytime soon.

I'll Cheer as They Cashier The Self-Checkout Device

By Joanne Kaufman

Booths, a supermarket chain in Northern England, recently announced it is closing the self-checkout lanes in most of its stores. Returning to the fully staffed way of doing business “delivers a better customer experience,” a Booths spokesman said.

The company is flying in the face of a trend that has reshaped retail shopping over the past two decades. In 2021 self-checkout usage accounted for 30% of transactions, almost double what it was in 2018, according to a survey of retailers by FMI, an industry trade group.

I'm now giving serious thought to ditching New York and starting life anew in Lancashire, where most Booths branches are located. I'm a washout at self-checkout.

When I first noticed those lanes at the local Stop & Shop, I was intrigued. Here, finally, was a solution to the increasingly long lines at the increasingly sparsely staffed checkout stations. I could save time, so I mistakenly believed, and recapture those palmy childhood days when my friends and I played supermarket with a very realistic toy cash register.

Some things should stay put in the past. The first time I used the self-checkout lane, my rudimentary technique of scanning and sliding the merchandise deeply upset the system software and necessitated several interventions from a store employee, whose expression suggested bafflement that I was at large without an attendant.

I was sufficiently chastened by my maiden voyage, and so eager to do better, that I started tailoring my shopping lists to align them better with the quirks of the self-

checkout system. Rather than buy produce in the form that I preferred—loose carrots and green beans, two or three crowns of broccoli, a single Vidalia onion—I went with sensor-pleasing prepackaged fruit and vegetables bearing a bar code.

By now, God knows, I should be inured to the robotic reassurance, or perhaps robotic rebuke, “Help is on the way,” but I am not. I feel myself blushing and apologizing to those in line behind me just as I did when, years ago, I began using automated teller machines.

But while ATMs are pretty much the same from bank to bank, self-checkout systems vary considerably from store chain to store chain. Some, like Stop & Shop, require you to clear “the bagging area” and pack up the accumulated groceries before you can scan more items. Costco, meantime, forbids bagging until every item has been scanned, which means a huge pileup on the counter and, often, cracked eggs.

Almost more embarrassing than the frequent ministrations from store employees is the idiotic feeling of accomplishment when I somehow manage to scan and pack my purchases without incident. In those admittedly rare moments of triumph, I bat away my husband's observation that the regular checkout lane might cut down on unnecessary retail drama.

Last month I took half a dozen items to the self-service counter of an airport convenience store and began scanning. I was killing it. Truly. As I got set to pay, a new screen appeared asking if I wanted to add a 10%, 15% or 20% tip.

Instacart, I'm yours.

Ms. Kaufman writes on culture and arts for the Journal.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

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Juul Shareholders Sue Over Bailout

Action alleges two directors preserved their interests at expense of others

By JENNIFER MALONEY

Two of **Juul Labs'** longtime directors—a Hyatt Hotels heir and a venture capitalist—helped bail out the e-cigarette maker when it was on the brink of insolvency.

It was a deal that preserved the equity investments of Nick Pritzker and Riaz Valani, cemented their influence over

the company and secured them releases from liability in thousands of lawsuits against Juul. Now Juul is fighting a lawsuit from a group of investors alleging that those two directors were looking out for their own interests, not the company's.

Among the questions in dispute is whether the bailout that allowed Juul to avert bankruptcy in 2022 benefited insiders at the expense of other investors.

The allegations have come to light as the company is trying to raise new capital, become profitable for the first

time and turn the page after a turbulent year-and-a-half.

Juul says that it delegated decisions to independent directors and that it secured needed financing from investors who support the company's mission of offering adult cigarette smokers a less-harmful alternative.

Juul was once a vaping juggernaut and one of the most valuable startups in America. Tobacco giant **Altria Group** in 2018 invested \$12.8 billion in Juul. Juul used nearly all of the cash from Altria's investment to fund employee bonuses and shareholder divi-

dends, including more than \$2 billion to Valani and more than \$1 billion to Pritzker, The Wall Street Journal has reported.

Since then, Juul has been beset by thousands of lawsuits over its marketing practices and embroiled in a dispute with federal regulators over whether its e-cigarettes can be sold in the U.S. Juul has denied allegations that it marketed its e-cigarettes to children and teens.

Juul began exploring bankruptcy in June 2022, when the Food and Drug Administration ordered its e-cigarettes off the

market and a court stayed the order. By September 2022, according to people familiar with the matter, Juul's top executives agreed that bankruptcy was the likeliest outcome. The start of Juul's first bellwether trial was looming, and the company was struggling to raise money to settle outstanding lawsuits while its products remained in regulatory limbo.

In board meetings and in conversations with the CEO, Pritzker and Valani argued that the company shouldn't file for bankruptcy and offered

Investors Hope for Return To Market Normalcy

By SAM GOLDFARB

U.S. stocks delivered outside returns in 2023. This year, many investors are dreaming of something more normal.

Their wish list includes an economic backdrop of moderate inflation and middle-of-the-road interest-rate policies—seemingly modest aspirations that would still mark a change from both the recent rate surge and the stimulus-fueled meme-stock craziness that preceded it.

Few think the S&P 500 can match its 24% gain from 2023, which essentially erased its 2022 losses. Many, though, believe that a return to economic normalcy could translate into a reasonable and sustainable rise in stocks, powered by improving corporate earnings.

They also have high hopes for conventional portfolios made up of 60% stocks and 40% bonds, a time-honored Wall Street strategy for mitigating risk that has recently been battered by rising rates.

They could be disappointed. Twelve-month inflation remains above the Federal Reserve's 2% target, and a round of data showing an unexpectedly large jump in prices could lead investors to question their assumptions about how quickly the Fed will cut interest rates. That would likely cause bonds and stocks to fall in tandem, as has happened often in the past two years.

Yet there are causes for optimism. The Fed's preferred measure of inflation has cooled substantially and is already right

◆ Tech stocks pull down Nasdaq, S&P 500..... B9

Apartment Rent Relief Is Expected to Persist

By WILL PARKER

The apartment rental market finally stopped clobbering tenants with big price increases in 2023. That trend will likely continue in the new year, even as job growth and housing demand remain high in many parts of the country.

Relief for tenants has come from a surge in new supply that has pushed vacancy higher, making it harder for landlords to raise prices. Many tenants also have simply reached the limits of what they are able to pay after years of big rent increases, housing analysts say.

"Affordability is at a really uncomfortable level for a huge swath of the American population," said Jonas Bordo, chief executive of rental listings site Dwelley.

Rents for new leases rose more than 20% during two years spanning 2021 and 2022. That growth moderated last year as rents either barely rose or slightly declined, according to most metrics.

Real-estate firms and data companies are projecting total rent growth in the very low

single digits this year. Data provider Yardi Matrix predicts rents will rise 1.5%, while commercial-property firm **CBRE** estimates growth of 1.2%.

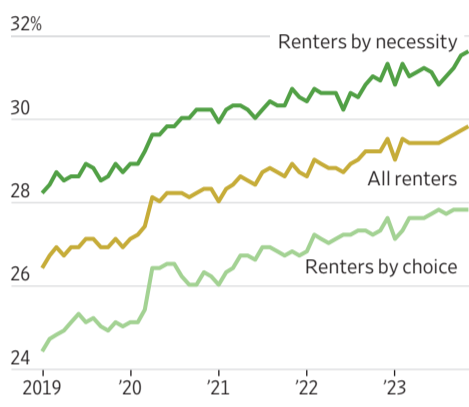
Despite the waning of increases, the rental outlook remains bleak for many tenants. Last year, affordability for typical renters got worse, as it has every year since the pandemic began.

So-called renters by necessity, a broad cohort of tenants tracked by Yardi, now spend nearly 32% of their income on rent on average. The U.S. Department of Housing and Urban Development considers that share of earnings "cost-burdened."

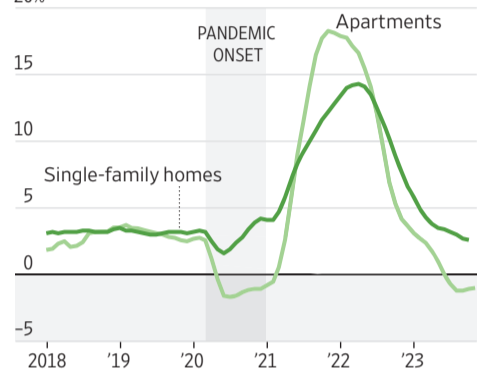
For most of the pandemic, landlords reaped huge profits from the double-digit rent increases they charged tenants. When rents were on a tear, owners also benefited from soaring values as investors spent record amounts on apartment buildings.

But that bull run for owners fizzled out last year as rents moderated. Investor appetite also has waned as higher interest rates have

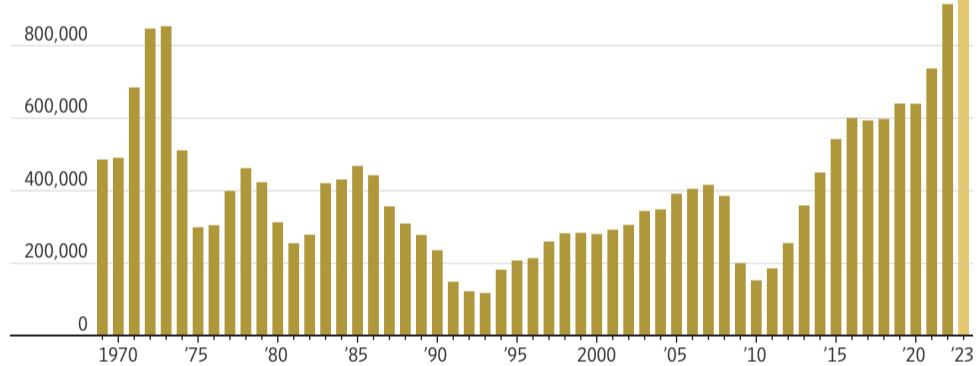
Percentage of income people spend on rent



Median U.S. rent increase or decrease, change from a year earlier



U.S. multifamily units under construction*



*Multifamily buildings include at least five dwelling units. 2023 is through November. Sources: Yardi Matrix (income spent on rent); CoreLogic (single-family homes); Apartment List (apartments); U.S. Census Bureau (units under construction)



Migrants waiting to hop a freight train in Mexico. Migration is among the factors disrupting trade.

Shipping Disruptions, Wars Pose Threats to Supply Chains

By PAUL BERGER

Companies that assembled new supply-chain strategies in the wake of the Covid-19 pandemic are having to put those plans into practice far faster than they may have thought possible.

Global supply chains are entering 2024 roiled by disruptions at two of the world's crucial trade corridors—the Panama Canal and the Suez Canal—even as geopolitical tensions appear set to take a more prominent role in sourcing and distribution. That could potentially force countries and companies to redraw trade maps that have been built over decades.

At the same time, startups and longstanding businesses are establishing the new supply chains behind clean energy, including the operations backing an automotive sector that is a foundation of manufacturing logistics networks.

All of this is buffeting supply chains from semiconductors to consumer goods, pressing companies that sought to bring

greater resilience and flexibility into their operations to act in a fast-changing manufacturing and shipping environment.

The sudden shocks and shifts will pose a challenge this year to ocean carriers, truckers and other freight and logistics companies that will have to divert resources according to diversions in cargo flows and swings in demand.

Wars in Ukraine and in the Middle East are threatening flows of grain, oil and consumer goods. Climate change

Hong Kong's IPO Drought Casts Pall Over the Region

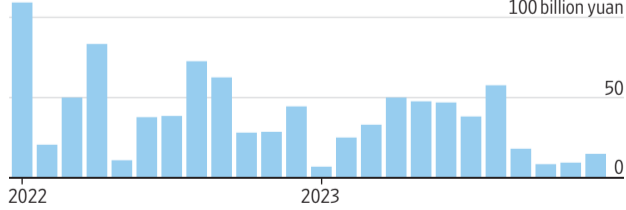
By DAVE SEBASTIAN AND REBECCA FENG

A dearth of initial public offerings in Hong Kong is causing companies to suffer cash crunches and put off expansion plans, showing how the steep market downturn is taking a toll on businesses that need to raise money.

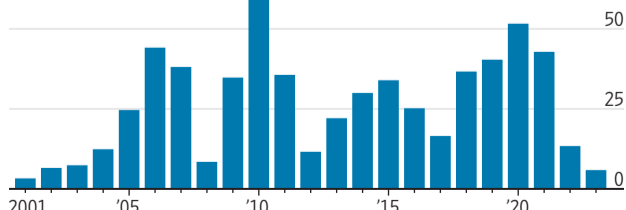
The Asian financial hub was for years the top international fundraising venue for companies from China and the broader region and came close to rivaling New York a few years ago. But a prolonged stock-market slump in Hong Kong and an exodus of foreign investors have made it exceedingly difficult for many companies to go public. Chinese regulators have also been sitting on many IPO applications, creating another barrier for businesses to overcome.

New listings on Hong Kong's stock exchange raised just \$5.9 billion in 2023, the lowest total in more than 20 years, according to Dealogic. In 2020, the first year of the coronavirus pandemic, companies raised more than \$51 billion in IPOs

Funds raised from initial public offerings in mainland China, monthly

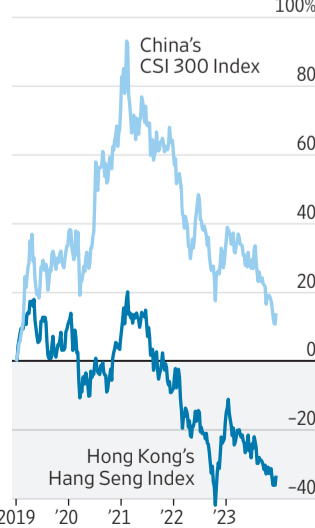


Funds raised from new listings in Hong Kong*



*Includes initial public offerings and secondary listings. Sources: Wind (funds raised in mainland China); Dealogic (funds raised in Hong Kong); FactSet (index performance)

Index performance over the past five years



recover. But businesses that have been pressing needs for cash have been forced to make changes in the absence of fresh funding.

"They're being more disciplined in their spending," said Kenneth Chow, co-head of Asia equity capital markets at Citi-

group. "They're preserving cash," he said of some companies that are waiting to go public.

The pipeline of companies wanting to list in Hong Kong includes biotech firms that need to raise funds for clinical trials, electric-vehicle makers that haven't turned a profit and other industrial manufacturers that want to expand their production capabilities.

"In the IPO preparation process, when we were discussing the use of proceeds and future expansion plans, there was a lot of discussion on canceling or postponing certain projects," Hang Wang, co-chair of law firm Baker McKenzie's China capital-markets practice, said of a recent case.

In October, **WM Motor**, a Chinese electric-vehicle maker, filed for bankruptcy in Shanghai after suspending most of its production. The company, whose shareholders include Chinese internet giants **Tencent Holdings** and **Baidu**, had filed for an IPO in Hong Kong in 2022 and contemplated going public via a reverse

INSIDE



ENERGY
Chevron will book up to \$4 billion in charges, citing costs of California regulation. **B3**



HEARD ON THE STREET
Looking at your 401(k) too seldomly could be risky. **B10**

BUSINESS & FINANCE

Maersk Pauses Transit Through Red Sea



Danish shipping giant A.P. Moller-Maersk said it will pause all transit through the Red Sea and Gulf of Aden until further notice following the attack on its vessel Maersk Hangzhou on Dec. 30. The shipping company said Tuesday that an investigation into the incident is continuing and that some vessels will be

rerouted and continue their journey around the Cape of Good Hope in South Africa. Maersk Hangzhou, a Singapore-flagged container vessel that operates between Europe and Asia, came under missile attack on Saturday evening, the U.S. said. Four boats later approached the vessel, shot at it and at-

tempted to board it, according to Moller-Maersk. Early Sunday, helicopters from nearby U.S. Navy vessels responded to fire coming from boats controlled by Houthis, an Iranian-backed rebel group in Yemen, sinking three of them and killing the crews, the U.S. said. The fourth boat fled. The Houthis

later claimed the attack and said they lost 10 fighters in the encounter. Earlier Tuesday, Hapag-Lloyd said it will continue to avoid Red Sea transits and reroute its vessels around the Cape of Good Hope until at least Jan. 9 in response to the recent attacks. —Michael Susin

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Wars Weigh On Supply Chains

Continued from page B1
and mass migration are disrupting trade lanes from the Panama Canal to the U.S.-Mexico border. Growing geopolitical tensions are making international supply chains ever more complex.

Still, many companies, including big retailers, can point to dramatic success over the past year in clearing out the big stockpiles of inventory that they built up during the pandemic to cope with shipping disruptions and rapidly changing consumer buying patterns.

The broad measure of inventories-to-sales ratio across U.S. retailers has stood at 1.30 from May 2023 through October, suggesting merchants have achieved some stability after the roller-coaster pandemic years.

With U.S. holiday sales up 3.1% this season from the previous year, many retailers reported leaner inventories that reflected restraint rather than a rush to restock.

"As we built our plans for this holiday season, we maintained our cautious inventory positioning and markdown sense of categories," Target Chief Executive Brian Cornell said on an earnings call Nov. 15. "This provides our team the necessary flexibility to quickly adjust to volatile trends, something that has served us well all year."

"What is driving our top line sales is our ability to keep

our inventory fresh and clean," Lauren Hobart, CEO of Dick's Sporting Goods, said on a call with investors Nov. 21. "It's important to bring it in when it's hot."

The company's comparable-store sales in its latest quarter rose 1.7% while inventory was down 2%.

Many retailers and manufacturers during the pandemic flipped from a "just-in-time" strategy of receiving clothes, electronics and furniture as it is needed to a "just-in-case" strategy of hoarding inventory to avoid losing sales.

Now that most inventories are back to prepandemic levels, importers are pulling in fresh orders. But analysts at S&P Market Intelligence note high interest rates make it more expensive to carry large inventories and could push some companies back toward a "just-in-time" strategy, even as supply risks grow.

For logistics providers, the flexibility of their shipping customers means they have to respond with similarly nimble operations. "I don't think we're back to 'just-in-time,' but I think 'just-in-case' has been redefined at a lower level," said Sidney Brown, co-owner and chief executive of NFI Industries, a trucking and warehouse provider for some of the country's biggest retailers.

The trucking industry, which saw many layoffs and several big bankruptcies in 2023 after a pandemic period when the market ballooned, is banking on order volumes rebounding this year.

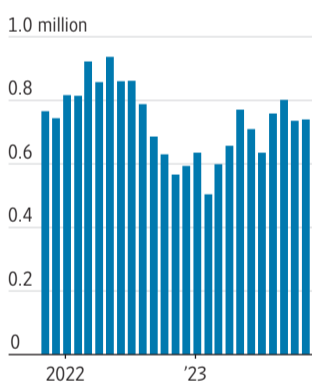
Many companies also expect more truckers to leave the road, which would help drive up freight rates.

"We still have too much carrier capacity," said Dave



The trucking sector is banking on orders rebounding this year.

Container imports* at Long Beach and Los Angeles ports



*Containerized imports measured in 20-foot equivalent units †U.S. companies' inventory levels Sources: Ports data (container imports); Logistics Managers' Index (logistics)

Logistics Managers' Index†



Bozeman, CEO of freight broker C.H. Robinson Worldwide, which matches available loads with truckers.

Bozeman and analysts at TD Cowen forecast that trucking capacity would tighten enough around the middle of this year to fuel a recovery in freight rates, as long as demand picks up.

Domestic freight flows will remain highly dependent on a fragile international arena. Retailers are also placing

overseas orders as ocean carriers take delivery of a record number of new containerships. Abundant availability on vessels means importers are pulling back on the new partnerships they forged with carriers and freight forwarders during the pandemic-fueled scramble to secure space on ships.

"We just don't need them now," said Jon Cargill, chief financial officer of arts and crafts retailer Hobby Lobby Stores. "We're back to where

Hong Kong Suffers IPO Drought

Continued from page B1
merger.

Lu DaoPei Medical Group, an operator of private hospitals in mainland China, filed documents in 2023 for an IPO in Hong Kong but can't proceed with a stock sale because it has yet to receive a green light from China's securities regulator.

One of China's biggest shopping mall operators found itself in a financial bind after it couldn't list in Hong Kong by the end of 2023.

The company, Zhuhai Wanda Commercial Management Group, is part of Chinese billionaire Wang Jianlin's Dalian Wanda conglomerate. The mall operator had promised a group of its pre-IPO investors that it would repay them \$4.2 billion

plus interest if it didn't go public by the end of the year. Zhuhai Wanda first filed documents for a Hong Kong listing in 2021 but was unable to get regulatory approval to proceed with the stock sale.

In December, the company got an 11th-hour reprieve from its investors but its owner had to give up majority control of the business as part of the deal.

Other companies that haven't been able to go public by a certain deadline have been less fortunate. An investor in Haodaifu, a Tencent-backed online medical platform, filed a winding-up petition against the company in a Cayman Islands court in September after it didn't go public within five years and failed to redeem the investor's shares, according to a court document.

The market for new Chinese listings was so bad in 2023 that

investment bankers say things can't get much worse. Hong Kong's stock market also ended 2023 in the red for the fourth consecutive year—one of its longest-ever stretches of poor performance. Dealmakers are penciling in more tempered expectations for a slow, gradual recovery.

"We need to see more encouraging data on growth," said Selina Cheung, co-head of Asia equity capital markets at UBS. "I'm just hoping China will stabilize," she said, adding that markets could rebound very quickly if domestic consumption improves markedly, U.S.-China geopolitical tensions abate and China's securities regulator approves more deals at a consistent pace.

"For the IPO market to improve, the market does not need investors to turn suddenly bullish on China. It just needs

them to be less gloomy," said Citi's Chow.

In mainland China, the securities regulator has signed off on only 17 domestic IPOs in Shanghai and Shenzhen since September compared with 202 in the first eight months of 2023.

Currently, 49 companies are waiting for the regulatory green light, according to financial data provider Wind. One of them, a Beijing-based semiconductor manufacturer, has been waiting since February 2022.

Some companies have scrapped their listing plans after waiting fruitlessly for regulatory approval.

Shandong Dezhou Braised Chicken, a producer of a popular Chinese chicken dish that dates to the 17th century, was among the 240 companies that have withdrawn their IPO applications from exchanges in mainland China in 2023. The company had hoped to use funds from a Shanghai listing to set up food-processing plants near the city of Suzhou so that the company could expand to other Chinese cities.

In Memoriam

For more information: wsj.com/inmemoriam

A. Annette Stevenson

CHUGIAK, ALASKA - Sadly I am to announce the passing of A. Annette Stevenson. She was born August 1965 in Dickson, Tennessee, and passed away with friends and family by her side in December 2023 at Anchorage, Alaska. She fought a short battle with lung cancer that was, most likely, from over 40 years of smoking. Please if you see this consider stop using tobacco for your life and your loved ones. She left behind two children James William and Tabitha, plus three grandchildren whom she loved so very much.

She started her life out in the US Air Force for over a decade then entered the private sector once she moved to Ketchikan, AK working for Tatsudas then finding her way back to her love of planes and being in charge at Aero Services. She finally ended up at ACE Air Cargo where they treated her with much love till her last days. There will be a celebration of life at Coast Inn at Lake Hood, January 13th from 1 to 5. In lieu of flowers or gifts, donations can be made by check to the Alaska Potbelly Pig Rescue Inc and brought to the celebration or online at akpotbellypig.org. She loved pigs ever since she was a child and always wanted one. Her sassy southern attitude will be missed by most, and those who don't she'd say "Bless their heart".

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BUSINESS NEWS

Money Manager Advent in Talks To Acquire Fisher

BY LAUREN THOMAS AND LAURA COOPER

Advent International is in talks to acquire Fisher Investments, the money-management firm known for its ubiquitous advertisements, people familiar with the matter said.

The talks may not lead to a transaction, and it is possible another suitor could emerge for Fisher.

In a statement after The Wall Street Journal reported on the talks, the company said "Fisher Investments is not being bought by Advent International, or anyone else."

The firm had \$205 billion in assets under management as of Sept. 30, according to its website.

Fisher manages money for pension funds, governments and college endowments, and has a sizable 401(k)-advisory business.

Billionaire Ken Fisher founded the firm in 1979. Last

year, he made a splash by moving its headquarters to Texas from Washington state, in response to new capital-gains taxes for wealthy residents of the state.

Fisher served as chief executive for 37 years before relinquishing that position in 2016 to become executive chairman and co-chief investment officer.

Fisher's current CEO is Damian Ornani, who started at the firm in 1997.

Fisher came under fire in 2019 for comments that he made at a conference in San Francisco, in which he likened using financial planning to sign on new clients to picking up women in a bar. He apologized for the comments, which prompted some of the firm's clients to pull out their cash.

Founded in 1984, Boston-based Advent had \$92 billion in assets under management as of June 30. It finished raising a \$25 billion fund in 2022.

Chevron Expects to Log Billions in Charges



Chevron said it will book \$3.5 billion to \$4 billion in charges for the fourth quarter, citing challenges tied to regulations in California and previously sold oil-and-gas production assets in the Gulf of Mexico.

Chevron said it will impair a portion of its U.S. upstream assets, mostly in California, because of regulatory challenges in the state that have led to "lower anticipated future investment levels in its business plans," Chevron said

it will continue to operate the affected assets for many years.

The company also said companies that agreed to buy Chevron's oil-and-gas production assets in the U.S. Gulf of Mexico have since

filed for Chapter 11 bankruptcy protections. Chevron said the obligations for the assets could revert back to the company, and that it will decommission the assets over the next decade.

—Will Feuer

Why Max Chose to Lose 'HBO' in Its Name

BY MEGAN GRAHAM

Warner Bros. Discovery sliced "HBO" from the name of its "HBO Max" streaming service last year, sacrificing a seminal television brand name to convince consumers that it offers more than HBO's style of programming.

But the company is navigating a difficult time in streaming, as a growing mountain of competitors scramble for subscription fees and ad revenue.

Warner Bros. Discovery's streaming business swung to a profit in the third quarter but lost subscribers, the company said in its most recent earnings report.

The road could be bumpy in the next few quarters, said Patrizio "Pato" Spagnoletto, global chief marketing officer for Warner Bros. Discovery's direct-to-consumer business. But the company's bets on broadening its content offerings—to include news and sports, for instance—will ultimately pay off, Spagnoletto said.

Spagnoletto spoke with The Wall Street Journal in October. Edited excerpts are below.

WSJ: HBO has been an iconic brand for decades. How did the company come to the decision to move away from including it in the name of its streaming platform?

Spagnoletto: HBO is an iconic brand that stands for premium quality content, with stories that are world-renowned, from "The Sopranos" to "House of the Dragon." The equity of that brand served very well when the company launched HBO Max.

The decision actually became a pretty simple one. Do you kill "HBO Max" or do you kill "HBO"? Because you can't



The network known for premium shows like 'The Sopranos' lives on as a brand, says Warner marketing executive Patrizio 'Pato' Spagnoletto, inset.

have both. You can't have "HBO" in the name and then put this incredibly varied library under it and expect consumers to have the same equity in the brand.

WSJ: So HBO lives on underneath the Max name as a brand.

Spagnoletto: The analogy I like to use is that of a mosaic. A mosaic has made many tiles that—put together—have this bigger image. The new mosaic is Max. Under that, one of the big tiles is HBO, but it's not the only tile. We had to make room for Warner Bros. theatrical, the Discovery shows, news and sports.

WSJ: How has Max marketed to consumers to sell this broadening?

Spagnoletto: Linear TV [traditional TV fare delivered via cable or satellite] is going

down. And as it's going down, there are more and more subscription services. We're getting to a point where there's probably too many. Consumers are starting to choose maybe two or three that they keep, and then a handful that they rotate in and out of. The two or three that they keep is based on, "How well does this service serve my needs?"

When we launched Max, our entire campaign was centered around this premise that there are many versions of you. And what we mean by that is, sometimes you want to lean in and watch "The White Lotus" and really get absorbed by the content. Sometimes you just want to lean back and watch your favorite reality show.

WSJ: Marketing for something like a streaming platform is interesting because at the end

of the day, you can have the best brand campaigns in the world, reach all the right people, but it's also about what can people get when they go to the platform in terms of the shows and the quality of the technology. The Max platform when first rolling out was called out by consumers as being prone to crashing and buggy. How does marketing think about issues like that?

Spagnoletto: Marketing, in many ways, is in the business of making promises. Our job is to make promises that we can keep. So do we promote content that we really feel good about to an audience that we think it will resonate with? Do we bring people into a product, where it's seamless, where you're not thinking about it? The shows that you want are up there, but it also introduces

new titles that you may not know of? When you start the play button, does it play right away, or does it buffer for three seconds?

We in marketing are extremely close to it. Not only in influencing it, but in measuring it and then partnering with the various functions, whether it's the content team or the product team or anyone else, to make sure that we keep our promises and we make loyalists out of our service.

WSJ: Max has added in news and sports. Talk about how the company has communicated that.

Spagnoletto: People know what news and sports is, so our job is not to make them aware of what that is. But it's to make them aware that it is now available on Max. And more importantly, and honestly just harder, is to start building habits to watch these two things on Max. We've all had news before it was on Max, we've all watched sports. My job is to help people understand why it's easier or better to do this on Max.

WSJ: What is your biggest challenge right now?

Spagnoletto: This is an industry that's going through a lot of change right now. That change has been painful for a lot of companies, ourselves included, as we kind of reset and kind of refigure out what long-term success can and will look like.

If your teams don't believe that there's an endgame that is successful, and if your teams don't see a path to what that looks like, it's really easy to lose that conviction.

Subsidiary Of Spain's Iberdrola Scraps U.S. Energy Deal

BY ADRIÀ CALATAYUD

Iberdrola's U.S. renewables subsidiary Avangrid has ended a merger agreement with power company PNM Resources after rejecting a bid to extend the deadline of the \$4.3 billion deal reached in 2020.

The Spanish energy company said Tuesday that Avangrid—which is 81.5% owned by Iberdrola and houses its U.S. renewable-energy assets as well as electric and natural-gas utilities—terminated the deal after conditions for closing it weren't met in the time frame the parties agreed to.

PNM Resources separately said that its board of directors approved an extension that wasn't accepted by Avangrid. PNM Resources' chairman and chief executive, Pat Vincent-Collawn, said the company was disappointed with Avangrid's decision to terminate the agreement.

Avangrid's move to call off the deal caps a yearslong process that was complicated by regulatory opposition to the companies' attempt to join forces to invest in the infrastructure and new technologies amid the transition to ward clean energy.

Avangrid in October 2020 agreed to buy Albuquerque, N.M.-based PNM Resources for \$4.3 billion in cash in a deal that was originally expected to be closed by the end of 2021. At the time, the companies said the combination would have created a business with more than 4 million electric and natural-gas utility customers and more than 7.4 gigawatts of renewable assets.

New Mexico regulators rejected the deal in 2021.

The deal had been extended through Dec. 31, 2023, while awaiting a decision from the New Mexico Supreme Court on an appeal.

Iberdrola executives said in October that they were looking at several opportunities in the U.S. in case the deal didn't go through. A sale of a minority stake in Avangrid was among the options being considered, Chief Financial Officer Jose Sainz Armada said.

Executives Eye Consumer Health, Cost Control in '24

BY WALDEN SIEW AND KRISTIN BROUGHTON

The year 2023 ended on a high note for some, with solid corporate earnings, stock markets rising to new highs and enthusiasm over the promise of AI and other new technologies.

Amid the wave of good news, some chief financial officers have scaled back their expectations of recession risk, but even so, many remain sober about the year ahead.

What will happen to the U.S. economy? And what do finance chiefs need to do? The Wall Street Journal interviewed some CFOs and experts on what is top of mind for 2024. Here's what they said:

Cloud software provider ServiceNow's CFO Gina Mastantuono said she spends most of her time thinking about how to make her business more resilient and better positioned to invest for growth.

ServiceNow, based in Santa Clara, Calif., specializes in cloud software used by busi-

nesses to run their IT departments and monitor operations. It has become the third-largest software-as-a-service company behind Salesforce and Adobe by annual revenue.

The global macro environment is what she watches most closely, including the interest-rate landscape and inflation trends, Mastantuono said.

"What most CFOs would be telling you is that resilience in the face of the current macro-economic environment is the priority, which is top of mind for me. And let's face it, I think the macro is going to be uncertain for quite a bit longer," she said.

Academy Sports & Outdoors CFO Carl Ford, who is also executive vice president, focuses on what is happening with the U.S. consumer. Aside from managing expenses and tracking inventory, Ford specifically keys in on providing value and choice to consumers by offering an assortment of products that range from good to best. "I would probably start

with the health of the American consumer," he said. "I am seeing an average customer who is under a tremendous amount of pressure."

The Katy, Texas-based sporting-goods chain is addressing that by providing a variety of products, allowing buyers to purchase what fits their budgets.

"On any given day, you're going to see our lowest price, whether it's Father's Day or whether it's a holiday or whatever...so value is really, really important to us," Ford said.

For Lake Success, N.Y.-based Broadridge Financial Solutions, a provider of technology solutions for investing, governance and communications, attracting and retaining technology professionals and engineers remains a focus for

the new year, CFO Edmund Reese said. Broadridge, formerly a unit of Automatic Data Processing, was spun out into a separate company in 2007.

"Broadridge competes with well-known technology companies to attract and retain software engineer talent," said Reese, who was at Smith Barney during the Sept. 11 attacks, Merrill Lynch during the 2008 financial crisis and Broadridge during the pandemic.

"Each one of those environments are all very different, but what is the same is that you have to focus on the right things: people, clients and capital strength," Reese said.

The first thing his leadership team concentrated on during the pandemic was talent management, especially finding professionals with strong data

and technology skills, he said.

Cost management remains at the forefront of the C-suite agenda, as companies continue to give priority to finding efficiencies and staying profitable, said Paul Goydan, managing director and senior partner at Boston Consulting Group.

"Both the cost-of-living crisis and energy crisis have somewhat limited the ability for prices to rise and increasingly, you see companies coming under more pressure to take it out of their margin," Goydan said, on why companies are continuing to prioritize cost savings. "But the sheer volume of unknowns in their 2024 plans has reached a level that many CFOs haven't yet seen in their careers."

"However you think about the quantity of uncertainty—be it supply chain, pricing, trade dynamics, geopolitics, or consumer sentiment—all of those uncertainties have happened before. What's different is that they have typically happened one or two at a time," he said.

Consumers are 'under a tremendous amount of pressure.'

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TECHNOLOGY

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Startup Boom Is Spreading Well Beyond Silicon Valley

Pandemic side effects feed an entrepreneurship boon in Atlanta

By GWYNN GUILFORD

ATLANTA—Andrew Levy used to describe himself as a filmmaker, producing marketing videos for Fortune 500 companies.

When the pandemic clobbered business in March 2020, he reinvented himself as an artificial-intelligence entrepreneur. In January 2022, he and a partner launched AdPipe, a software company that uses AI to search existing video footage and turn the results into wholly new films.

The software recently helped Ziegler CAT, a Minnesota- and Iowa-based Caterpillar equipment dealer, create a two-minute promotional film drawn from 25 terabytes of footage from Caterpillar archives, prompted solely by a marketing script.

“We were just trying to survive, and during Covid survival looked like helping customers repurpose their existing footage,” said Levy. It was such a hit, “we doubled down on those efforts, and AdPipe was born.”

Based out of Atlanta and Athens, Ga., with 25 employees, AdPipe is the sort of startup that typically made its home in Silicon Valley. It’s part of a wave of entrepreneurs who launched businesses in the past four years, capitalizing on changes unleashed by the pandemic itself.

Some 1.6 million new businesses were formed in 2023, through November, 38% more than in the year before the pandemic and the most since records began in 2005.

It’s too early to know for sure what’s driving the wave. More flexible schedules early in the pandemic, the upheaval of whole industries, the disruption of child care and pursuit of cheaper housing and better work-life balance may have pushed many salaried workers to pursue startup ideas.

“That it’s persisted for so long suggests that the pandemic catalyzed something real and economically significant—and something that, hopefully, will last,” said Kenan Fikri, director of research at the Economic Innovation Group.

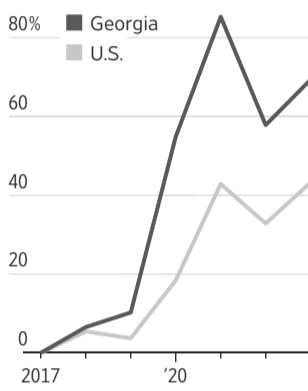
Coastal home costs

Originally from Atlanta, Michael Davis spent most of his career working in business strategy and tech startups in New York and Seattle. But Seattle’s pricey real estate made homeownership a reach. He and his wife, who works in biotech, in early 2021 moved to Atlanta, where housing costs are half that in Seattle.

In June, Davis co-founded Homegrown, which provides revenue-based financing and strategic support to local bricks-and-mortar businesses looking to expand. The companies Homegrown has funded

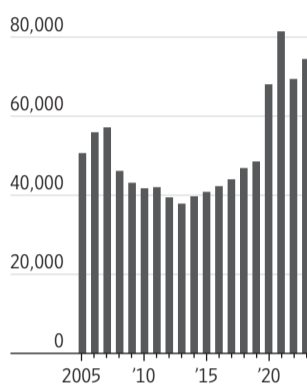


New business applications, percentage change since 2017



Note: Among likely employers; seasonally adjusted; cumulative through November of each year. Source: Census Bureau

Number of new business applications in Georgia



Above, a presentation by AdPipe CEO Andrew Levy and COO Sam Birdsong; below, Shelly Scott of GetSidekicks.



family than coastal enclaves such as Silicon Valley or Boston. This became especially relevant as Covid-19 triggered closures and staffing shortages at child-care facilities.

Shelly Scott had a high-octane job at a financial-soft-ware company in San Francisco when the pandemic left her scrambling to find care for her toddler twins.

After striking out repeatedly, Scott and her family moved to Atlanta, about 100 miles north of the Robins Air Force Base community where she had grown up, while continuing to work remotely. Child care was much easier to line up than in San Francisco, but still challenging. That made starting a company—something she had always wanted—compelling.

Scott’s child-care struggle inspired her to start a business for people in a similar, or worse, predicament—specifically, military families who move every few years and often lack a network of acquaintances to help in a pinch.

In May, she launched GetSidekicks, a marketplace for military communities that connects those in need of short-term child care and home services with individuals available to help. Most of these gig workers are female veterans, many looking to reconnect with the community and find flexible work.

“I feel that my struggle with finding child care was meant to happen so that I would start this company,” she said.

A few years ago, Kevin DeMarco was a research engineer at Georgia Tech Research Institute, the university’s non-profit applied-research organization, where he worked on robotics and taught graduate students. When the pandemic hit and his lab went remote, the lack of commute and interaction with students gave him time to reflect.

DeMarco joined a startup summer school run by Atlanta Tech Village, one of the country’s largest entrepreneurship centers, where he learned the basics of starting a company, and met a mentor ready to invest in a solid idea.

Surgical precision

One came from DeMarco’s aunt, an operating-room nurse who complained that many trays arrived at surgery with contaminated or missing instruments, delaying surgery and increasing infection risk.

So in the fall of 2020, DeMarco left his Georgia Tech job and launched RIF Robotics to develop software that controls an intelligent robot arm that can identify hundreds of instruments and is learning to sort them. This past October, they landed a partnership with Wellstar, one of Georgia’s largest healthcare systems, and are training a robot arm in one of its hospital’s labs.

“It took me stepping away from work for a while to say, ‘What do I really want to be doing?’” he said.

Another appealing aspect of Atlanta is that it’s a more affordable place to raise a

more money to cover operating costs. Finally, the two directors, along with Juul co-founders James Monsees and Adam Bowen, backstopped a sweeping legal settlement and made an equity investment in Juul. Pritzker, Valani and the co-founders, who were named as co-defendants in many of the lawsuits, have denied wrongdoing.

Juul, after approaching dozens of potential investors, closed a funding round in October 2023 that raised \$1.27 billion. That sum included money that entities connected to Pritzker, Valani, and Juul’s two co-founders committed for Juul’s legal settlement and an additional \$45 million from the same four investors.

Entities tied to Valani and Pritzker now own nearly half of Juul, while most other investors have had their stakes sharply diluted amid the rescue.

Affiliates of hedge fund D1

Capital Partners and two other investors sued Juul in October 2023 to block a debt conversion triggered by the funding round. The conversion would slash \$2 billion in outstanding notes to \$116 million in equity, a 94% drop in value, according to Juul.

The lawsuit alleges that Pritzker and Valani “leveraged a distressed situation for their own personal gain to the detriment of Juul’s other stakeholders.”

Juul said that its management never decided that bankruptcy was the best path. The company said its actions over the past year-and-a-half were far better than the alternative—bankruptcy—which could have wiped out all shareholders’ equity.

Since 2022, Juul has settled nearly all of its remaining legal liabilities and cut expenses, including roughly halving its employee head count. The company said its board

avoided conflicts of interest by bringing on two independent directors with restructuring experience to form a special committee. In a statement, the committee said it assessed the company’s options with the assistance of separate legal advisers, and made decisions that maximized the company’s value.

Altria’s 2018 investment had set Juul’s share price at \$279. The investment round that closed in October put it at \$1.07.

Juul’s CEO told employees at an internal meeting in November that they would receive equity awards—the way new employees do when they join a startup—to compensate for the dilution in their shares.

“I believe that we’ve got significant value we can go build from here,” Crosthwaite said at the meeting.

Juul in 2024 aims to raise an additional \$330 million as it fights to keep its existing products on the U.S. market and submits new vaping products for federal authorization. It is still offering shares at \$1.07 to Juul’s shareholders and potential new investors.

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BANKRUPTCIES

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: Chapter 15
China Aoyuan Group Limited, et al.,¹ Case No. 23-12030 (JPM)
Debtors in Foreign Proceedings. (Jointly Administered)

NOTICE OF FILING AND HEARING ON PETITIONS SEEKING RECOGNITION OF FOREIGN PROCEEDING AND RELATED RELIEF PURSUANT TO CHAPTER 15 OF THE UNITED STATES BANKRUPTCY CODE

PLEASE TAKE NOTICE that on December 20, 2023, Chen Zhi Bin and David Wan, in their capacities as duly authorized foreign representatives (“the Foreign Representatives”) of China Aoyuan Group Limited (“Aoyuan”) and its wholly owned subsidiary, Ade Hero Holdings Limited (“Ade Hero,” and together with Aoyuan, the “Debtors”), filed the Chapter 15 Petition for Recognition of a Foreign Proceeding for each of the Debtors (Dkt. No. 1) and the Verified Petition Under Chapter 15 for Recognition of Foreign Main Proceedings and Related Relief (Dkt. No. 3) (together, the “Petitions”) pursuant to chapter 15 of title 11 of the United States Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Southern District of New York (the “Court”).

¹ China Aoyuan Group Limited’s company registration number is 183222, and the location of its registered office is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Ade Hero Holdings Limited’s company registration number is 0780336 and the location of its registered office is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Petitions. The Debtors are the subject of the Aoyuan Proceedings and the Ade Hero Proceedings as defined in the Petitions.

PLEASE TAKE FURTHER NOTICE that the Foreign Representatives seek the entry of an order (a) finding that (i) each of the Debtors is eligible to be a “debtor” under chapter 15 of the Bankruptcy Code, (ii) each of the Hong Kong Proceedings is a “foreign main proceeding” within the meaning of section 1502 of the Bankruptcy Code, (iii) each of the Foreign Representatives satisfies the requirements of a “foreign representative” under section 101(24) of the Bankruptcy Code and (iv) each of the Petitions was properly filed and meets the requirements of section 1515 of the Bankruptcy Code; (b) granting recognition of each of the Hong Kong Proceedings as a foreign main proceeding under sections 1517 and 1520 of the Bankruptcy Code; (c) granting all relief afforded to foreign main proceedings under section 1520 of the Bankruptcy Code; (d) recognizing, granting comity to, and giving full force and effect within the territorial jurisdiction of the United States to the Hong Kong Proceedings, the Hong Kong Schemes and each of the Sanction Orders, including giving effect to the releases set forth in the Hong Kong Schemes; (e) authorizing the Existing Public Notices, Trustee or any successor trustee to take any and all actions necessary to give effect to the terms of the Restructuring and discharge(s); (f) permanently enjoining all parties from commencing or continuing any action or proceeding in the United States against the Debtors or their assets located within the territorial jurisdiction of the United States that is inconsistent with the Hong Kong Schemes; (g) waiving the 14-day stay of effectiveness of the order granting the relief requested in the Petitions; and (h) granting related relief.

PLEASE TAKE FURTHER NOTICE that the Court has scheduled a hearing (the “Hearing”) to consider the relief requested in the Petitions for 11:00 a.m. (Eastern Time) on January 31, 2024 in Room 301 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004.

PLEASE TAKE FURTHER NOTICE that copies of the Petitions and all documents filed in the chapter 15 cases are available to parties in interest on the Court’s Electronic Case Filing System, which can be accessed from (i) the website maintained by Morrow Sodali Limited in respect of the Hong Kong Schemes at <https://projects.morrow-sodali.com/Aoyuan>, (ii) the Court’s website at <http://www.usbankcourts.gov> (a PACER login and password are required to retrieve a document) or (iii) upon written request to the Foreign Representatives’ counsel (including by facsimile or e-mail) addressed to:

LINKLATERS LLP
1290 Avenue of the Americas
New York, NY 10104
Telephone: (212) 903-9000
Facsimile: (212) 903-9100
Attn: Christopher J. Hunker, Esq.
Mark Dawson, Esq.
Christopher.hunker@linklaters.com
mark.dawson@linklaters.com

PLEASE TAKE FURTHER NOTICE that any party in interest wishing to submit a response or objection to the Petitions must do so in writing and in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, setting forth the basis for such response or objection with specificity and the nature and extent of the respondent’s claims against the Debtors. Such responses or objections must be filed electronically with the Court by registered users of the Court’s electronic case filing system in accordance with General Order M-399 and the Court’s Procedures for the Filing, Signing and Verification of Documents by Electronic Means (copies of each of which may be viewed on the Court’s website at <http://www.usbankcourts.gov>) and by all other parties in interest, on a compact disc in Portable Document Format (PDF), Microsoft Word, or any other Windows-based word processing format, which disc shall be sent to the Office of the Clerk of the Court, One Bowling Green, New York, New York 10004-1408. Two hard copies of any response or objection shall be sent to the Chambers of the Honorable John P. Mastando III, United States Bankruptcy Judge, One Bowling Green, New York, New York 10004-1408 and served upon counsel for the Foreign Representatives, Linklaters LLP, 1290 Avenue of the Americas, New York, New York 10104 (Attention: Christopher J. Hunker, Esq.), so as to be actually received on or before January 5, 2024 at 5:00 p.m. (Eastern Time).

PLEASE TAKE FURTHER NOTICE that all parties in interest opposed to the Petitions must appear at the Hearing at the time and place set forth above.

PLEASE TAKE FURTHER NOTICE that, at the Hearing, the Court may order the scheduling of a case management conference to consider the efficient administration of the case.

PLEASE TAKE FURTHER NOTICE that if no response or objection is timely filed and served as provided above, the Court may grant the relief requested in the Petitions without further notice or hearing.

PLEASE TAKE FURTHER NOTICE that the Hearing may be adjourned from time to time without further notice other than an announcement in open court, or a notice of adjournment filed with the Court, of the adjourned date or dates at the hearing or any other further adjourned hearing.

Dated: December 27, 2023 Respectfully submitted,
New York, New York

By: /s/ Christopher J. Hunker
Mark Dawson
Mia E. Cooper
Curtis G. Smith
LINKLATERS LLP
1290 Avenue of the Americas
New York, NY 10104
(212) 903-9000
Counsel to the Foreign Representatives

NOTICE OF SALE

NOTICE OF SALE

PLEASE TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, by virtue of certain Event(s) of Default under those certain Ownership Interests Pledge and Security Agreements, each dated as of April 12, 2023 (collectively, the “Pledge Agreement”), executed and delivered by J. SUPOR REALTY LLC, SUPOR PROPERTIES BOONTON HOLDING LLC, SUPOR PROPERTIES BOONTON DE LLC, SUPOR MAJOR REALTY LLC, JOSEPH SUPOR, III, ROSEANN SUPOR and THE MARITAL TRUST UNDER THE LAST WILL AND TESTAMENT OF JOSEPH SUPOR, JR., DATED SEPTEMBER 13, 2002, AS AMENDED BY FIRST CODICIL DATED JUNE 14, 2007 (collectively, the “Pledgor”), and in accordance with its rights as holder of the security, 1000 FRANK E. ROGERS I LLC (the “Secured Party”), by virtue of possession of those certain Share Certificates held in accordance with Article 8 of the Uniform Commercial Code of the State of New York (the “Securities”), and by virtue of those certain UCC-1 Filing Statements made in favor of Secured Party, all in accordance with Article 9 of the Code, Secured Party will offer for sale, at public auction, (i) all of Pledgor’s right, title, and interest in and to the following: J. SUPOR REALTY MEZZ LLC, SUPOR PROPERTIES BOONTON LLC, SUPOR MAJOR REALTY MEZZ LLC, SUPOR PROPERTIES-400 LIMITED LIABILITY COMPANY, and SUPOR FAMILY, L.L.C. (individually a “Pledged Entity”), and collectively, the “Pledged Entities”), and (ii) certain related rights and property relating thereto (collectively, (i) and (ii) are the “Collateral”). Secured Party’s understanding is that the principal asset of the Pledged Entities are those certain fee interests in the following premises located at: (i) 500 Super Boulevard, Harrison, New Jersey, (ii) 95 Fulton Street, Boonton, New Jersey, (iii) 505 Manor Avenue, Harrison, New Jersey, (iv) 400 Super Boulevard, Harrison, New Jersey, and (v) 125-129 Sanford Avenue, Kearny, NJ (collectively, the “Property”).

Mannion Auctions, LLC (“Mannion”), under the direction of Matthew D. Mannion (the “Auctioneer”), will conduct a public sale consisting of the Collateral (as set forth in Schedule A below), via online bidding, on January 17, 2024 at 3:00pm, in satisfaction of an indebtedness in the approximate amount of \$90,268,291.69, including principal, interest on principal, and reasonable fees and costs, plus default interest through January 17, 2024, subject to open charges and all additional costs, fees and disbursements permitted by law. The Secured Party reserves the right to credit bid. Online bidding will be made available via Zoom Meeting: Meeting link: <https://bit.ly/UCCSupor> (URL is case sensitive) Meeting ID: 840 9275 9057 Password: 850199 One Tap Mobile: +16469313860, 84092759057, +850199 US +16465 588656, 84092759057, +850199 US (New York) Dial by your location: +1 646 931 3860 US Bidder Qualification Deadline. Interested parties who intend to bid on the Collateral must contact Brett Rosenberg Bidder at Jones Lang LaSalle Americas, Inc. (“JLL”), 330 Madison Avenue, New York, NY 10017, (212) 812-5926, Brett.Rosenberg@jll.com, to receive the Terms and Conditions of Sale and bidding instructions by January 12, 2024 by 4:00 pm. Upon execution of a standard confidentiality and non-disclosure agreement, which can be found at the following link: www.NJIndustrialPortfolioUCCSale.com, additional documentation and information will be available. Interested parties who do not contact JLL and qualify prior to the sale will not be permitted to enter a bid.

SCHEDULE A: (i) Pledgor: J. SUPOR REALTY LLC, a Delaware limited liability company. Issuer: J. Supor Realty Mezz LLC, a Delaware limited liability company. Interest Pledged: 100% limited liability company interest. The UCC1 was filed on April 17, 2023 with the Delaware Department of State under Filing No. #2023209407. (ii) Pledgor: SUPOR MAJOR REALTY LLC, a Delaware limited liability company. Issuer: SUPOR MAJOR REALTY MEZZ LLC, a Delaware limited liability company. Interest Pledged: 99% membership interest. The UCC1 was filed on April 17, 2023 with the State of New Jersey Department of Treasury under the Filing No. #56537635. (iii) Pledgor: SUPOR PROPERTIES BOONTON DE LLC, a Delaware limited liability company. Issuer: Supor Properties Boonton LLC, a Delaware limited liability company. Interest Pledged: 1% membership interest. The UCC1 was filed on April 17, 2023 with the Delaware Department of State under Filing No. #2023209407. (iv) Pledgor: SUPOR MAJOR REALTY LLC, a Delaware limited liability company. Issuer: SUPOR MAJOR REALTY MEZZ LLC, a Delaware limited liability company. Interest Pledged: 100% limited liability company interest. The UCC1 was filed on April 17, 2023 with the Delaware Department of State under Filing No. #2023209308. (v) Pledgor: JOSEPH SUPOR, III, an individual. Issuer: SUPOR PROPERTIES-400 LIMITED LIABILITY COMPANY, a New Jersey limited liability company. Interest Pledged: 100% membership interest. The UCC1 was filed on April 17, 2023 with the New Jersey Department of Treasury under Filing No. 56537651. (vi) Pledgor: ROSEANN SUPOR, an individual. Issuer: Supor Family, L.L.C., a New Jersey limited liability company. Interest Pledged: 50% membership. The UCC1 was filed on April 18, 2023 with the New Jersey Department of Treasury under Filing No. #65639673. (vii) Pledgor: THE MARITAL TRUST UNDER THE LAST WILL AND TESTAMENT OF JOSEPH SUPOR, JR., DATED SEPTEMBER 13, 2002, AS AMENDED BY FIRST CODICIL DATED JUNE 14, 2007. Issuer: Supor Family, L.L.C., a New Jersey limited liability company. Interest Pledged: 50% membership interest. The UCC1 was filed on April 18, 2023 with the New Jersey Department of Treasury under Filing No. #65639673. KRISSE & FEUERSTEIN LLP, Attn: Jerold C. Feuerstein, Esq., Attorneys for Secured Party, 360 Lexington Avenue, Suite 1200, New York, New York 10017 (212) 661-2900

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Directors Fight Over Juul Rescue

Continued from page B1 it a bailout instead, these people said. Pritzker and Valani were early Juul investors and have long been powerful members on its board.

As the bailout was being discussed, Juul’s chief executive and top lawyer raised concerns internally about potential conflicts of interest facing Pritzker and Valani, according to the people familiar with the matter. Valani continued to press the case against bankruptcy to Chief Executive Officer K.C. Crosthwaite while Juul interviewed candidates for a special board committee to oversee the company’s next steps, these people said.

The bailout was done in three parts. Pritzker and Valani in September 2022 refinanced a Juul term loan and later that fall loaned Juul

THE PROPERTY REPORT

Japan Buyers Return to Overseas Markets

With lessons learned from the '90s, some are diversifying for the long term

By MEGUMI FUJIKAWA

TOKYO—Big Japanese investors stumbled disastrously into the U.S. commercial real-estate market in the late 1980s, when they bought high-profile properties like New York's Rockefeller Center not long before the market fell hard.

Now some Japanese institutional investors and real-estate companies are back—but this time it isn't about flaunting trophy purchases. It is about diversifying portfolios for the long term and getting good bargains while the market is slumping.

Japanese investors in 2023 put \$3.7 billion into commercial real estate in the Americas as of Dec. 11, the largest volume since 2016, according to data provider MSCI Real Assets.

"There may be people who need to sell because of their financial straits, which would provide a chance to make a deal at a reasonable price," said Makoto Sakuma, a researcher at NLI Research Institute, which is affiliated with Nippon Life Insurance. "Because real estate is a long-term investment, Japanese investors should look for opportunities when the market is cooling down rather than when it is heating up."

In June, Tokyo-based real-estate company Mori Trust

said it invested in 245 Park Avenue, an office building next to Grand Central Terminal in Manhattan, which is jointly owned by SL Green Realty. Mori Trust said it was spending ¥100 billion, equivalent to \$700 million, for its share in the building plus renovations.

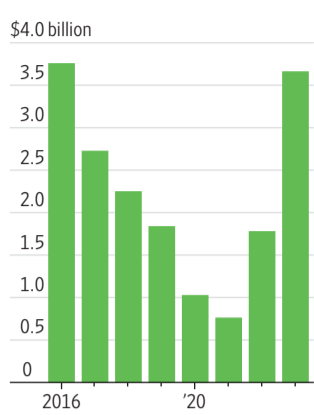
A Mori Trust representative said the company used its own funds for the investment. "In the current U.S. financing environment, a player like us who does not require financing from a third party has competitive advantage in the U.S. real-estate market," the representative said.

While Mori Trust acknowledged that the rise in Americans working from home has caused stagnation in office real estate, it pointed out tenant demand remained strong for the highest quality space and the Midtown Manhattan property would have high potential after renovation. It said it would buy more office properties if it can find stand-out buildings.

Other 2023 deals by Japanese buyers include mobile carrier KDDI's purchase of three Toronto data centers for 1.35 billion Canadian dollars, the equivalent of about US\$1 billion. In November, a fund co-founded by Tokyo real-estate company Mitsubishi Estate said it bought an office and retail complex in Sydney, spending the equivalent of about \$700 million for the acquisition and renovations.

For Japanese institutional investors, overseas real estate is attractive because the yields tend to be higher than

Japan's commercial real-estate investment in the Americas



Note: Includes office, industrial, retail, hotels, apartments and senior housing
Source: MSCI Real Assets

they can get at home. The investors can raise funds inexpensively thanks to low Japanese interest rates.

Nippon Life, which is Japan's largest insurer by assets with the equivalent of about \$555 billion, is typical of the revived interest. Decades ago, Nippon Life found it difficult to manage faraway properties from Tokyo and began reducing its overseas portfolio in the 1990s, ultimately selling all of its buildings. It returned to overseas real estate in 2018, this time investing through real-estate funds.

The insurer had some \$3.9 billion in exposure to real estate in the U.S., Europe and Asia as of the end of September. Yu Kosaka, deputy general manager of Nippon Life's finance and investment planning department, said the company aimed to more than double the figure in the com-



Tokyo real-estate company Mori Trust said it invested in 245 Park Ave. in Manhattan.

ing years. He said the life insurer's long-term horizon was a good fit for real estate, which isn't as easy to buy and sell as stocks but can be expected to deliver solid returns in the long run.

His colleague Takafumi Satake, who oversees alternative investments, said Nippon Life is underweighting office real estate for now in light of the high vacancy and weak demand of the pandemic era.

In the first 10 months of 2023, Japan was No. 5 globally in terms of cross-border investment in commercial real estate, compared with its No. 16 ranking in 2022, according to MSCI. It trailed only the U.S., Singapore, Canada and Hong Kong.

Japanese investors still face the risk this cycle won't reverse as smoothly as previous down cycles.

Vacancy rates remain high in cities such as New York and San Francisco and are expected to climb higher as more leases expire and tenants downsize. A recently updated study by economists at three U.S. universities found a 49% decline in the long-run value of New York City office buildings owing to the rise of remote work.

Japanese institutional investors are dealing with the risk by investing in a variety of real estate categories and markets.

Japan's Government Pension Investment Fund, which

manages around ¥219 trillion, equivalent to \$1.5 trillion, in assets, began investing in global real estate in 2018 through real-estate funds managed by others. In 2023, it committed \$500 million each to real-estate funds run by Blackstone and Brookfield.

GPIF is allowed to invest up to 5% of its assets in alternative assets, a category that includes real estate as well as private equity and infrastructure. As of the end of March 2023, 45% of the fund's real-estate investments were in the U.S., followed by 25% in Japan, 8% in the U.K. and 7% in Australia. GPIF said it believed its long-run returns would rise through alternative-asset investments.



New building has built supply and helped damp investor interest while easing increases in monthly payments.

Apartment Rent Relief To Stay

Continued from page B1

driven down values of all types of commercial property.

Sales of apartment buildings were down 68% in No-

vember compared with the same month a year earlier, according to data provider MSCI Real Assets. Prices paid for apartment properties fell 12%.

Investment activity looks unlikely to rebound back to its recent heights, especially if borrowing costs remain high and potential buyers believe buildings still look overvalued.

New apartment supply, especially in large Sunbelt cities, also has dampened investor

interest while easing rent increases. This year brings more of it.

Nearly one million apartment units are under construction, and most of them are set to open during the next 12 months, according to a report from real-estate firm CBRE. Nashville, Tenn.; Austin, Texas; Dallas and Atlanta are among the cities adding the most new units, CBRE said.

Some investors think prices will fall even further this year and are putting off plans to buy buildings. "You don't want to catch a falling guillotine," said Marcel Arsenault, CEO of Colorado-based property investment firm Real Capital Solutions.

Arsenault said he expects property values in oversupplied cities could fall another 10% or more this year. His company is preparing to eventually buy about \$1 billion in apartment buildings.

Investors are sitting on about a quarter-trillion dollars of so-called dry powder to invest in U.S. commercial real estate, according to CBRE. Targets of that money include debt-laden landlords who bought apartment buildings in recent years and now need cash, as well as merchant builders who need to refinance construction loans, said Daniel Baker, managing director of CBRE's central

multifamily division.

Some in the real-estate industry are optimistic that changes in the broader economy might help spark more investment activity soon. A recent decline in the 10-year Treasury yield has already helped lower the cost of borrowing, and costs could fall further if the Federal Reserve moves to cut interest rates this year, as central-bank Chair Jerome Powell has hinted is likely.

Despite expectations for a so-so 2024 for landlords, de-

mand for rental housing is still described as strong by investors and analysts. That is particularly true for single-family homes for rent, which have been more resilient than apartments.

A challenging market for home buyers is also seen as a tailwind for the home-rental business, as prospective buyers, who can't afford a home or who don't want to buy at today's prices and mortgage rates, rent instead.

In New Hampshire, psychiatry professor Karen Fortuna

spent her 2020 bidding on homes and losing out to all-cash buyers. Despite her and her engineer husband's high incomes, the couple gave up on finding something to buy, instead renting a three-bedroom house.

Mice, leaks and a 25% rent increase have since increased the appeal of buying their own house. But high sales prices and low inventory in New Hampshire will keep the couple renting in 2024, Fortuna said. "This is the best option."

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Elk City | **Fairview**

Industrial Properties Statewide

ELK CITY, OK
• 3408 Ok-6
Industrial property containing 6,500+/- sf on 9.79+/- acres. The shop is 38x58 with two 17' garage doors.
Nominal Opening Bid: \$150,000

FAIRVIEW
• 11823 N Hwy 8
Industrial facility containing 10,000+/- sf situated on 10+/- acres. Shop with drive through bays.
Nominal Opening Bid: \$250,000

GUYMON
• 214 NE 24th St
Three parcels with a total of 3.76+/- acres containing three structures with a total of 6,702+/- sf.
Nominal Opening Bid: \$150,000

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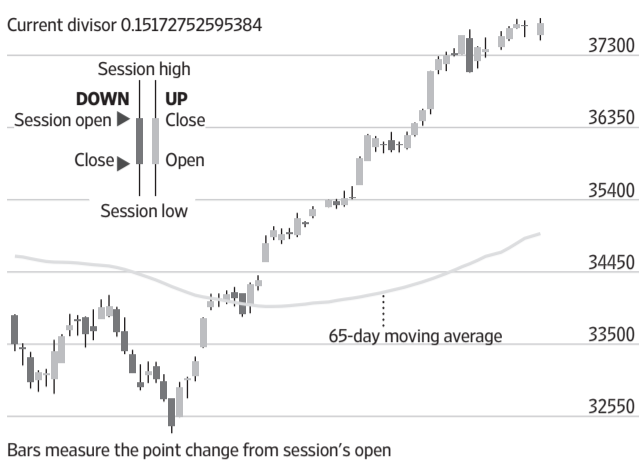
PHIL HEILIGER RE LIC 129912. BUYER'S PREMIUM MAY APPLY.

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

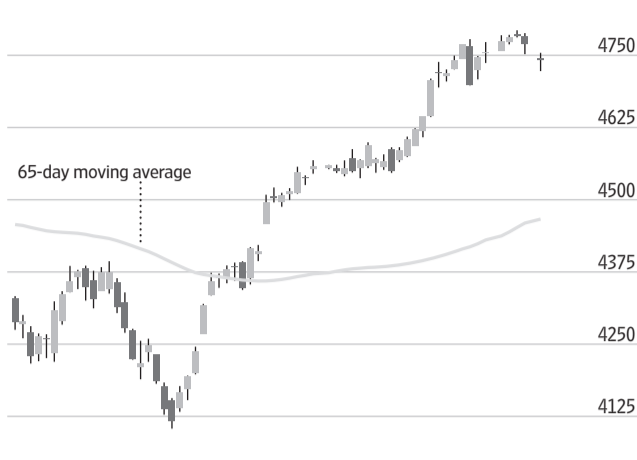
37715.04 ▲ 25.50, or 0.07%
Trailing P/E ratio 27.27 20.62
P/E estimate * 20.80 18.28
Dividend yield 1.95 2.07
All-time high 37715.04, 01/02/24



*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; *Based on Nasdaq-100 Index

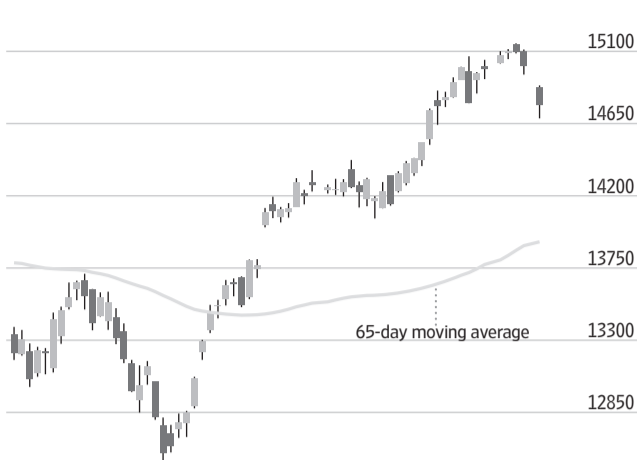
S&P 500 Index

4742.83 ▼ 27.00, or 0.57%
Trailing P/E ratio * 21.74 18.59
P/E estimate * 21.57 17.52
Dividend yield * 1.57 1.77
All-time high 4796.56, 01/03/22



Nasdaq Composite Index

14765.94 ▼ 245.41, or 1.63%
Trailing P/E ratio ** 30.15 23.81
P/E estimate ** 28.92 21.96
Dividend yield ** 0.82 1.00
All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

Table with columns: High, Low, Latest Close, Net chg, % chg, 52-Week High, Low, % chg, YTD, 3-yr. ann. Rows include Dow Jones, Industrial Average, Transportation Avg, Utility Average, Total Stock Market, Barron's 400.

Table for Nasdaq Stock Market with columns: High, Low, Latest Close, Net chg, % chg, 52-Week High, Low, % chg, YTD, 3-yr. ann. Rows include Nasdaq Composite, Nasdaq-100.

Table for S&P with columns: High, Low, Latest Close, Net chg, % chg, 52-Week High, Low, % chg, YTD, 3-yr. ann. Rows include 500 Index, MidCap 400, SmallCap 600.

Table for Other Indexes with columns: High, Low, Latest Close, Net chg, % chg, 52-Week High, Low, % chg, YTD, 3-yr. ann. Rows include Russell 2000, NYSE Composite, Value Line, NYSE Arca Biotech, NYSE Arca Pharma, KBW Bank, PHLX Gold/Silver, PHLX Oil Service, PHLX Semiconductor, Cboe Volatility.

\$Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Table with columns: Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, Low. Rows include SPDR S&P 500 ETF Trust, Kenvue, CNH Industrial, Dun & Bradstreet, Apple, Uber Technologies, Amazon.com, RTX.

Percentage gainers...

Table with columns: Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, Low. Rows include AST SpaceMobile, Tandem Diabetes Care, Arcutis Biotherapeutics, Zseventy bio, PGT Innovations, API Group, Scotts Miracle-Gro, Recursion Pharm, Exelixis, SS&C Technologies.

Percentage Losers...

Table with columns: Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, Low. Rows include Anavex Life Sciences, China SXT Pharm, Mobix Labs CI A, Elicio Therapeutics, Vertex Energy, Aditxt, Corcept Therapeutics, Sentage Holdings CI A, ENDRA Life Sciences, Amprius Technologies, Vast Renewables, FLJ Group ADR, Sidus Space, Prairie Operating, AST SpaceMobile.

Most Active Stocks

Table with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, Low. Rows include Bit Brother CI A, ProSh UltraPro Shrt QQQ, SPDR S&P 500 ETF Trust, Nikola, Direxion Dly Semi 3 Bear, Tesla, Marathon Digital, ProShares UltraPro QQQ, NIO ADR, Apple.

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Percentage Gainers...

Table with columns: Company, Symbol, Volume (000), Latest Session Close, Net chg, % chg, 52-Week High, Low, % chg. Rows include Longboard Pharm, Dogness International, Polished.com, PolyPid, Oncocyte, Forian, DatChat, Yoshiharu Global, Ekso Bionics Holdings, Cardio Diagnostics Hldgs, Flux Power Holdings, Enliviex Therapeutics, Pinstripes Holdings, Oragenics, Werewolf Therapeutics.

Most Active Stocks

Table with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, Low. Rows include Bit Brother CI A, ProSh UltraPro Shrt QQQ, SPDR S&P 500 ETF Trust, Nikola, Direxion Dly Semi 3 Bear, Tesla, Marathon Digital, ProShares UltraPro QQQ, NIO ADR, Apple.

* Volumes of 100,000 shares or more are rounded to the nearest thousand

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Percentage Losers

Table with columns: Company, Symbol, Volume (000), Latest Session Close, Net chg, % chg, 52-Week High, Low, % chg. Rows include Anavex Life Sciences, China SXT Pharm, Mobix Labs CI A, Elicio Therapeutics, Vertex Energy, Aditxt, Corcept Therapeutics, Sentage Holdings CI A, ENDRA Life Sciences, Amprius Technologies, Vast Renewables, FLJ Group ADR, Sidus Space, Prairie Operating, AST SpaceMobile.

Volume Movers

Table with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, Low. Rows include Longboard Pharm, Voyager Therapeutics, Dogness International, Colmbiapeso, Alarum Technologies ADR, Simplify Mkt Neutral Eq, iSh Int Rt Hdg LT Cp Bd, Israel Acquisitions, Spring Valley Acqn II A, PNM Resources.

* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares *Has traded fewer than 65 days

International Stock Indexes

Table with columns: Region/Country, Index, Close, Net chg, Latest % chg, YTD % chg. Rows include World (MSCI ACWI, MSCI ACWI ex-USA, MSCI World, MSCI Emerging Markets), Americas (MSCI AC Americas, S&P/TSX Comp, MSCIEM Latin America, Brazil, Chile, Mexico), EMEA (STOXX Europe 600, Euro STOXX, Bel-20, OMX Copenhagen 20, CAC 40, DAX, Tel Aviv, FTSE MIB, AEX, Oslo Bors All-Share, FTSE/JSE All-Share, IBEX 35, OMX Stockholm, Swiss Market, BIST 100, FTSE 100, FTSE 250), Asia-Pacific (MSCI AC Asia Pacific, S&P/ASX 200, Shanghai Composite, Hang Seng, S&P BSE Sensex, NIKKEI 225, Straits Times, KOSPI, TAIEIX, SET).

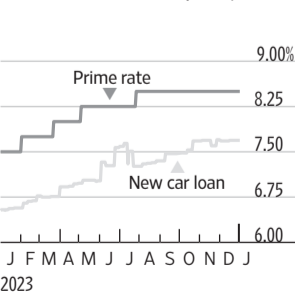
Sources: FactSet; Dow Jones Market Data

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year



Selected rates

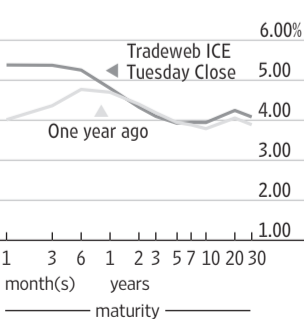
Table with columns: Bankrate.com avg!', First Command Bank, Firsttrust Bank, PNC Bank, Eastern Bank, Wilmington Savings Fund Society, FSB, Wilmington, DE. Rows include Fort Worth, TX; Philadelphia, PA; Washington, DC; Boston, MA.

Table with columns: Interest rate, Last (●) Week ago, Yield/Rate (%), 52-Week Range (%), 3-yr chg (pct pts). Rows include Federal-funds rate target, Prime rate, SOFR, Money market, 5-year CD, 30-year mortgage, 15-year mortgage, Jumbo mortgages, Five-year adj mortgage, New-car loan.

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

Treasury yield curve

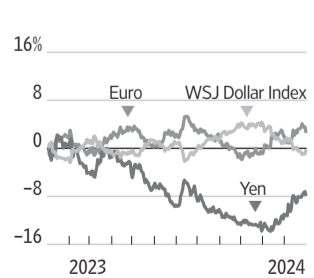
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

Corporate Borrowing Rates and Yields

Table with columns: Bond total return index, Close, Yield (%), 52-Week High, Low, Total Return (%). Rows include U.S. Treasury, U.S. Treasury Long, Aggregate, Fixed-Rate MBS, High Yield 100, Muni Master, EMBI Global.

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table with columns: Country/currency, Tues in US\$, YTD chg in US\$, US\$ vs. per US\$ (%). Rows include Americas (Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Uruguay), Asia-Pacific (Australia, China, Hong Kong, India, Indonesia, Japan, Kazakhstan, Macau, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand), Europe (Czech Rep., Denmark, Euro area, Hungary, Iceland, Norway, Poland, Russia, Sweden, Switzerland, Turkey, Ukraine), Middle East/Africa (Bahrain, Egypt, Israel, Kuwait, Oman, Qatar, Saudi Arabia, South Africa).

Sources: Tullett Prebon, Dow Jones Market Data

Commodities

Table with columns: Commodity, Close, Tuesday Net chg, % chg, High, 52-Week Low, % chg, YTD % chg. Rows include DJ Commodity, Refinitiv/CC CRB Index, Crude oil, Natural gas, Gold.

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Table of Metal & Petroleum Futures, Copper-High (CMX), Gold (CMX), Palladium (NYM), NY Harbor ULS (NYM), Gasoline-NY RB (NYM), Natural Gas (NYM), Agriculture Futures, Corn (CBT), Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), Rough Rice (CBT), Wheat (CBT), Wheat (KC) (CBT), Cattle-Feeder (CME), Cattle-Live (CME), Hogs-Lean (CME), Lumber (CME), Milk (CME), Cocoa (ICE-US), Coffee (ICE-US), Sugar-World (ICE-US), Sugar-Domestic (ICE-US), Cotton (ICE-US), Orange Juice (ICE-US).

Table of Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), Rough Rice (CBT), Wheat (CBT), Wheat (KC) (CBT), Cattle-Feeder (CME), Cattle-Live (CME), Hogs-Lean (CME), Lumber (CME), Milk (CME), Cocoa (ICE-US), Coffee (ICE-US), Sugar-World (ICE-US), Sugar-Domestic (ICE-US), Cotton (ICE-US), Orange Juice (ICE-US).

Table of Interest Rate Futures, Ultra Treasury Bonds (CBT).

Table of Treasury Bonds (CBT), Treasury Notes (CBT), 5 Yr. Treasury Notes (CBT), 2 Yr. Treasury Notes (CBT), 30 Day Federal Funds (CBT), Three-Month SOFR (CME), Japanese Yen (CME), Canadian Dollar (CME), British Pound (CME), Swiss Franc (CME), Australian Dollar (CME).

Table of Index Futures, Mini DJ Industrial Average (CBT), Mini S&P 500 (CME), Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), Mini Russell 2000 (CME), Mini Russell 1000 (CME), U.S. Dollar Index (ICE-US).

Cash Prices | wsj.com/market-data/commodities

Tuesday, January 2, 2024

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table of Cash Prices for Energy, Metals, Fibers and Textiles, Grains and Feeds, Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Posland Publishing; R=SNL Energy; S=Platts-TSI; T=Outlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 1/1

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

January 2, 2024

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table of Inflation, U.S. consumer price index, International rates, Prime rates, Policy Rates, Overnight repurchase, U.S. government rates, Discount, Federal funds, Commercial paper (AA financial), Secured Overnight Financing Rate, DTCC GCF Repo Index, Notes on data, U.S. prime rate, DTCC GCF Repo Index, Secondary market, Fannie Mae, Other short-term rates, Call money.

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table of Bond Benchmarks: Broad Market, U.S. Corporate Indexes, High Yield Bonds, Mortgage-Backed, Global Government.

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. **EMBI Global Index. Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P.Morgan

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table of Global Government Bonds: Country, Maturity, Yield (%), Spread Under/Over U.S. Treasuries.

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table of Corporate Debt: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Last week.

...And spreads that widened the most

Table of Corporate Debt: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Last week.

High-yield issues with the biggest price decreases

Table of Corporate Debt: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Last week.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for 2-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session

Table of Exchange-Traded Portfolios: ETF, Symbol, Closing Price, Chg (%), YTD (%).

Closing Chg YTD Symbol Price (%) (%)

Table of Exchange-Traded Portfolios: ETF, Symbol, Closing Price, Chg (%), YTD (%).

MARKETS & FINANCE

Tech Stocks Pull Down S&P, Limited Partners Doubt Venture Startup Values

By RYAN DEZEMBER

Tumbling technology stocks cast a pall over a trading day in which the Dow Jones Industrial Average ended at a record high...

The tech-heavy Nasdaq Composite Index declined 1.6%, dragged down by the same big names, including Apple and Nvidia...

TUESDAY'S MARKETS

A good day for energy, healthcare, utilities and consumer-staples stocks couldn't offset the pull from technology and telecom shares in the S&P 500...

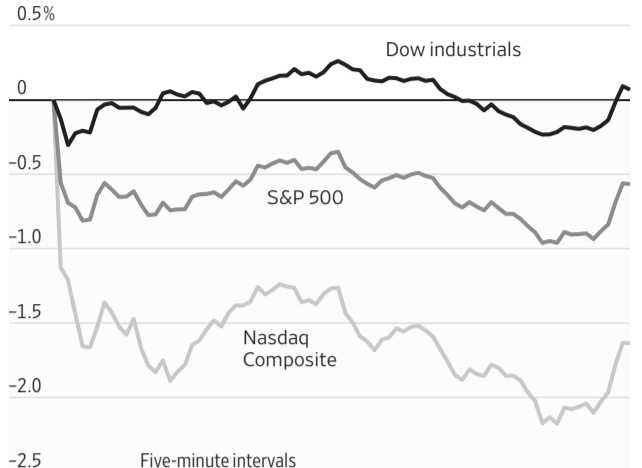
The Dow Jones Industrial Average, which has risen for nine consecutive weeks, rose to an intraday record and ended up 0.1%, or 25.5 points...

Rising bond yields contributed to the selloff in tech stocks. The yield on the benchmark 10-year Treasury note ended at 3.944%, up from 3.860% on Friday...

There is growing doubt that the big tech stocks that powered last year's rally can keep rising.

The Magnificent Seven stocks swelled last year to represent about 30% of the S&P 500's market value and were

Index performance on Tuesday



Source: FactSet

responsible for much of the index's 24% gain.

Minus Apple, Amazon.com, Google parent Alphabet, Microsoft, Nvidia, Facebook owner Meta and Tesla...

Jason Pride, chief of investment strategy and research at money manager Glenmede, said his firm has skewed its investments slightly toward fixed income...

"Many of them are fantastic businesses, but there's a point in time when any business can be overvalued," Pride said.

field rather than betting on the leaders."

Apple, which climbed to record in December, shed 3.6% Tuesday after analysts at Barclays downgraded its shares...

Moderna was the S&P 500's top performer. The drugmaker's shares popped 13% after Oppenheimer analysts upgraded the stock...

Cruise stocks led the S&P lower, falling even more than

technology shares. Norwegian Cruise Line Holdings, Royal Caribbean Group and Carnival lost 8.6%, 7.2% and 6.7%, respectively...

Oil prices settled lower after rising in early trading when Iranian state media reported that Tehran sent a warship to the Red Sea...

Overseas, London's FTSE 100 Index lost 0.2% and Germany's DAX added 0.1%. At midday Wednesday, Hong Kong's Hang Seng Index was down 1.1%...

AUCTION RESULTS

Here are the results of Tuesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield.

Table with columns for Applications, Accepted bids, Noncomp, Foreign noncomp, Auction price (rate), and Bids at clearing yield accepted.

Both issues are dated Jan. 4, 2024. The 13-week bills mature on April 4, 2024; the 26-week bills mature on July 5, 2024.

Investors Hope for Normalcy

Continued from page B1

around 2% on a three-month or six-month annualized basis. The Fed itself has signaled that it is likely to start trimming rates soon...

That means bonds promise solid returns if interest-rate expectations don't change. They also have more room to rally if economic conditions deteriorate...

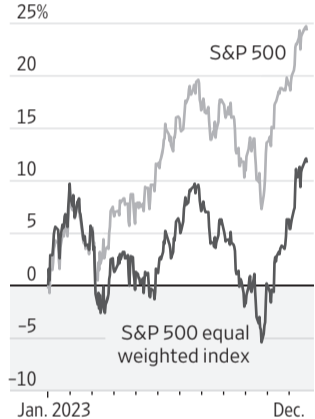
Rising rates have been painful recently. But the previous period of near-zero rates was also "not a stable equilibrium," given how those rates punished certain savers...

"We've returned to a point that looks a heck of a lot more stable," he added.

Markets have taken a long road to get here.

For years after the 2008-2009 financial crisis, the chief concern of Fed officials was that consumer prices were rising too slowly, creating the risk of deflation...

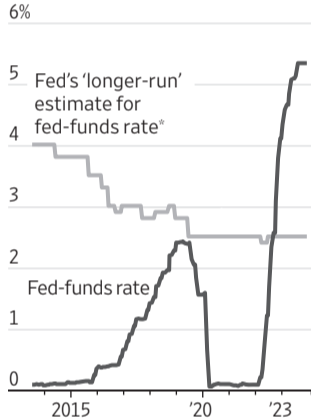
Index performance in 2023



*Reflects median forecast of Fed officials

Sources: FactSet (performance); Federal Reserve Bank of St. Louis (rates vs. longer-run); Tradeweb ICE Closes (yield)

Rates vs. longer-run estimate



10-year U.S. Treasury yield



Conditions became more extreme in the early stages of the Covid-19 pandemic, with even longer-term bond yields falling below 1%...

Between the financial crisis and 2022, the highest the Fed raised its benchmark federal-funds rate was near 2.5% at the end of 2018...

Now, the Fed's fight against inflation has brought the fed-funds rate to around 5.3%. The rate is widely expected to come down from here...

Rising interest rates are a double-edged sword for bond investors. In the short term, they drive down the price of existing bonds issued when rates were lower...

Once rates stabilize, as they have recently, investors can start to appreciate those higher yields. Still, they could be frustrated if yields move sharply

again in either direction.

Already, bets that rates will fall have dragged the yield on the 10-year Treasury note down to around 3.9% from roughly 5% in late October.

Some analysts warn that investors might have gotten ahead of themselves and that bond prices could fall if rate cuts take longer than expected.

Conversely, bonds could provide a refuge in a recession, with their prices rising as rates fall. But that could also drag yields back to prepandemic levels...

"We've seen a massive move in fixed income already," said Lori Heinel, global chief investment officer at State Street Global Advisors.

Higher yields are also no guarantee that stocks will behave calmly.

Some worry that stock prices are already too high relative to the earnings that analysts ex-

pect over the next year, especially when compared with the yield investors can get from bonds. In 2023, just a handful of large technology companies were responsible for a bulk of the S&P 500's gains...

Still, there was a shift toward the end of 2023, with investors favoring shares from a much wider range of companies after an encouraging inflation report in November.

Wylie Tollette, chief investment officer at Franklin Templeton Investment Solutions, said his team believes that "higher yields lift all boats," providing investors with a safe way to earn returns while tempering excesses in stocks.

At the same time, he expressed optimism that stocks can weather the competition from bonds. He pointed to both their record and the potential for new artificial-intelligence technologies to boost corporate profits.

"Corporates have shown an amazing resiliency at generating continued earnings growth even in the face of a slowing economy," he said.

By YULIYA CHERNOVA

What are venture fund portfolios worth now? There is little agreement on that question today, an issue that is slowing down an already sedate venture fundraising market.

Once all the data are tallied, 2023 is expected to be the worst year for venture fundraising globally since 2015, according to both research firms Preqin and PitchBook Data.

As limited partners consider new fund investments they are increasingly questioning how fund managers account for the valuations of the companies they have already backed...

"How much can we trust, how reasonable are the valuations? It's a very relevant question in the market today," said Theresa Hajer, head of U.S. venture-capital research at investment firm Cambridge Associates...

LPs are trying to come to their own view on the valuations, said Larry Naughton, member of law firm Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, where he works with private companies and venture funds.

It took Los Angeles-based venture firm Act One Ventures some three years to raise its \$73 million third fund, which the firm finally closed on Dec. 1, according to co-founder and General Partner Alejandro Guerrero.

Limited partners scrutinized the cash position, burn and valuation of the firm's portfolio companies in the new fund to a much greater extent than previously, he said.

What helped Act One ultimately exceed its original fundraising target was that its companies had a long cash runway, he said. Another major factor was that Act One provided liquidity via secondary sales to the LPs in its first fund, Guerrero said.

Close to a quarter of venture funds globally spent less than six months raising capital in 2021, according to Preqin. Only 12% zoomed to a fund close in such a short time in the first

three quarters of 2023.

Valuing private companies isn't an exact science at any time, and there are a variety of ways to do that accounting. A prolonged period of illiquidity and a dearth of follow-on financing into startups has created greater differences of opinion on appropriate marks because there is no market event to indicate a new valuation.

For Allocate, a fund that is marked too high is problematic. "It's a hard pass for us, it makes the [general partner] less trustworthy in our eyes," Kaji said.

Venture-fund returns have already declined, yet many in the market expect to see continued pain. One-year net returns for U.S. venture funds stood at negative 10.34% as of June 30, 2023, according to the venture capital benchmark index by Cambridge Associates.

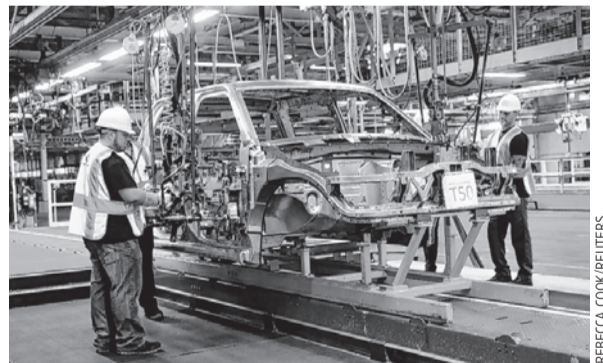
The share of down rounds, or financings where valuations were reduced from the prior round, hit 15.6% in the second quarter of 2023 globally, a record proportion of all quarterly financings since 2017, per Preqin.

More than 71% of global venture fund managers surveyed by Preqin in November expect private company insolvencies to rise over the next 12 months. That is raising anxiety among limited partners that are evaluating venture funds.

"It's very hard to hear that all these companies are going to go out of business. Well, are they mine?" said Beezer Clark, partner at Sapphire Partners, where she leads investments in venture funds.

—Marc Vartabedian contributed to this article.

Watch a Video: Why Short Sellers Are Targeting Struggling EV Companies



Scan this code to watch a video on how EV makers like Lucid, Lordstown Motors and Faraday Future—big winners of the stock boom two years ago—are now under pressure.

Biggest 1,000 Stocks | WSJ.com/stocks

Large table listing the biggest 1,000 stocks with columns for Stock, Sym, Close, Net Chg, and multiple columns for other stock data.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

You Should Mess With Your 401(k) More

Checking it frequently is seen as the source of bad decisions; looking too seldom could lead to missed opportunities now

Compulsively checking your 401(k) is seen by behavioral economists as the source of bad investment decisions. Right now, though, looking at your portfolio too seldom could equally lead to missed opportunities.

In its 2024 outlook, asset-management giant BlackRock presented an interesting thought experiment: If you had perfect foresight and could shift your U.S. stock investments once or twice a year toward the best-performing sector, how much would you gain? As it turns out, much more than before.

We ran the numbers on the S&P 500, including some back-of-the-envelope estimates for trading costs. Making yearly changes between 2020 and now would have yielded a compound annual return of 55%, almost four times more than buying and holding the S&P 500. From 2016 through 2019, the return would have been 30%, just twice that of the index.

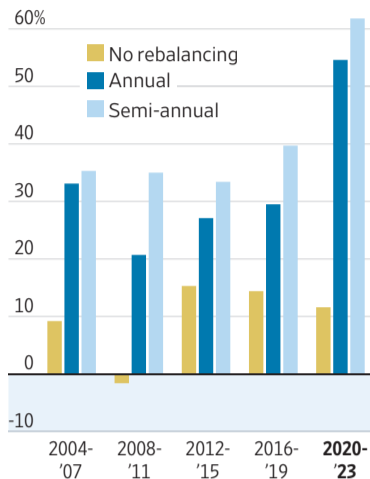
Of course, nobody has the superpower of predicting the market. But the backward-looking “momentum” strategy of annually switching into whichever sector previously did best, which doesn’t require powers of prediction, has also blown outright index investing out of the water recently.

The point is that, in a more volatile world, the dispersion between stock returns has increased, and sector outperformance has become more ephemeral. On top of higher inflation and interest rates, economies have had to deal with pandemics and wars. Stock valuations are high across the board.

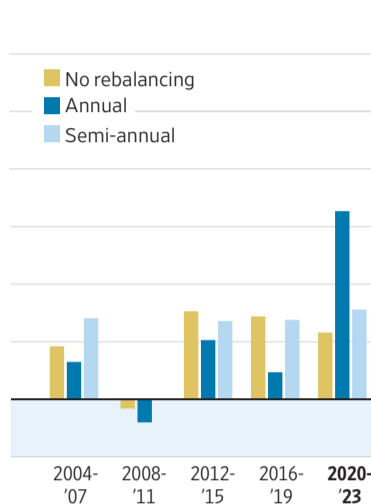
If the current environment persists, savers might want to take a more regular look at their portfolios, rather than heeding the old

Portfolio of S&P 500 stocks, compound annual growth rate of different investment strategies*

...with perfect foresight, investing in the sector that will do best next period



...backward-looking, investing in the sector that did best one period ago



*Assumes that switching carries a \$10 trading fee and bid-ask spread costs of 0.12%. Taxes and other costs are omitted. Sources: FactSet, WSJ calculations (S&P 500 portfolio); “The Rate of Return on Everything, 1870–2015” by Óscar Jordà, Katharina Knoll, Dmitry Kuvshinov, Moritz Schularick and Alan M. Taylor. 2019; Quarterly Journal of Economics, vol. 134(3), pages 1225–1298 (60/40 portfolio)

“set it and forget it” wisdom.

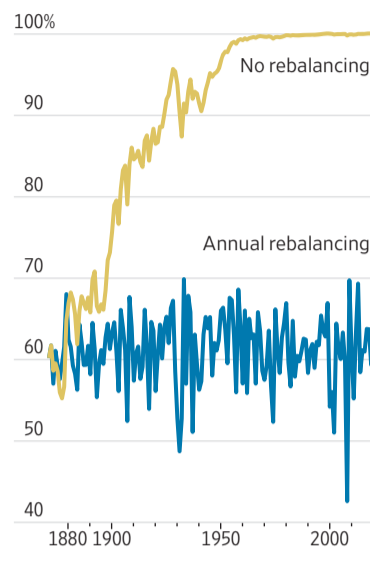
This might apply to shifting savings between asset classes too, even though traditional investment advice is to rebalance portfolios every year, or even less frequently. Managers of “balanced” funds already allocate money between equities and bonds in addition to picking specific stocks. But passive investment vehicles have overtaken active managers, and it is increasingly retail savers themselves who engage in asset-class selection through specialized exchange-traded funds.

Research suggests people are far less active when buying and selling funds than with individual stocks. This is probably even more

the case when it comes to “dollar-cost averaging”—regularly investing a fixed share of their salary, as happens with 401(k)s.

Indeed, the relative popularity of stocks, bonds and cash among U.S. households tends to move in lockstep with how well those asset classes are doing, Federal Reserve data suggests. After the “stagflation” of the 1970s, the share of stocks in savers’ portfolios fell below 30%. Conversely, the post-2008 bull market led to Americans owning a lot more stocks. Right now, equity allocations are hovering around 60%, which, like the S&P 500, is close to a record peak. All this suggests households aren’t in the habit of

Year-end equity allocation of a 60/40 portfolio



rebalancing their portfolios.

Rebalancing isn’t always about reaping extra returns. Without it, allocations across multiple funds change so much over time that savers lose track of risks.

For example, a “60/40” portfolio launched in 1871 would, without rebalancing, have ended up with 80% of its assets in stocks after 25 years, because they have higher long-term returns, historical figures by Óscar Jordà, Moritz Schularick and Alan Taylor show. Had the portfolio been invested at the end of 2008, the 80% threshold would have been surpassed in only 10 years. These equity-heavy portfolios would have performed better in the long run, of course, but they

would have generated far greater losses during bear markets.

Or take a worker that 10 years ago decided to invest \$100 a month split equally between U.S. tech companies and banks. Because of diverging market returns, 69% of those savings would now be in tech, exposing the worker disproportionately to the fate of a specific industry.

To be sure, frequent trading has many pitfalls. The most well-known is that savers get spooked by short-term price moves, leading them to buy high and sell low. Dealing costs and bid-ask spreads matter too, and can often erase any gains delivered by smart strategies. Taxes are another crucial consideration.

One way for investors to achieve the dual objectives of rebalancing and benefiting from today’s more volatile market could be to trust a bigger share of their money to active managers—especially those with low fees. In 2023, they have done much better compared with tracker funds than in previous years.

Another is to establish a fixed time interval, neither too long nor too short, to do the active managers’ work themselves. Rewarding as the strategy of annually buying into the best-performing S&P 500 sector has been of late, it has fared badly historically: It is often not fast enough to sell out of overvalued industries. A semiannual “momentum” approach might be a good middle ground, as it has proved more successful in the past couple of decades.

As with diets and exercise routines, healthy life decisions are often made on a preset schedule.

—Jon Sindreu



India’s export restrictions on rice and other agricultural products are already wreaking havoc globally.

India’s Food-Security Problem Is the World’s Problem, Too

Climate change is already beginning to reshape global agriculture. India, the world’s most populous country, looks particularly vulnerable not just because of extreme weather, but also because of government price controls.

Fixing the problem is becoming more urgent, both for India and the world—because India is a big food exporter, too. But politics makes that very difficult.

In early December, India banned overseas shipments of onions until March in an effort to tame domestic prices. That is on top of export restrictions on rice, wheat and sugar already imposed over the past 18 months. And since India is the world’s largest rice exporter, second-largest sugar and onion exporter, and a significant wheat producer, the bans are wreaking havoc globally. Thai rice prices had risen 14% and Vietnam rice prices had risen 22% from July levels by October, according to the International Food Policy Research Institute. Malaysia and the Philippines introduced their own measures to damp rising prices after India’s curbs on rice exports in July.

Climate change will almost certainly pose a major problem for India’s food supply. India’s Minis-

try of Agriculture and Farmers Welfare recently estimated that in the absence of adaptation measures, rain-fed rice yields could fall 20% by 2050.

But domestic agricultural policies are almost as big a problem.

At present, the government sets price floors for two dozen crops, guarantees purchases of certain agricultural products and provides subsidies to farmers for fertilizers, electricity and transportation. All that might seem positive for food security, but on net it probably hampers investment and food supply growth. Price floors mean that supply might sometimes exceed final buyers’ willingness to pay during slow times, leading to wastage. And restrictions on exports artificially depress domestic prices when global demand is hot.

The government’s own investigations have found that Agriculture Produce Marketing Committee laws, which regulate the trade of farmers’ produce by providing licenses to buyers, commission agents and private markets, lead to cartelization and reduced competition.

According to a recent report by the Organization for Economic Cooperation and Development, net regulatory costs for agricultural

producers in India were equal to a full 15% of gross farm receipts from 2020 to 2022. The study stated that domestic producers have been implicitly taxed on average: Budgetary payments to farmers didn’t offset the price-depressing effect of complex domestic marketing regulations and trade policy measures.

India’s creaky agriculture infrastructure also needs work. According to the U.S. International Trade Administration, poor infrastructure in India is responsible for post-harvest losses of up to 40% for certain products.

Unfortunately, reforming the food-pricing system is politically perilous. Previous attempts to change domestic agricultural marketing regulations have been met with stiff resistance from farmers and political opponents, and coming general elections make any immediate relief unlikely.

India is the ninth-largest exporter of agricultural products in the world, according to the United Nations. It also has the most mouths to feed. That makes food security there a global issue—but the tangled politics of agricultural pricing in India means that change could be slow.

—Megha Mandavia

Surpassing Tesla, China’s BYD Will Take On The World in 2024

China’s electric-vehicle maker BYD will be on top of the world this year, with overseas markets its main battleground.

In the fourth quarter of 2023, it surpassed Tesla to become the bestselling pure EV maker in the world, having overtaken Volkswagen last year as the most popular brand of any kind of car in China.

Mostly that is because China’s EV market has been speeding ahead at full throttle. Sales of new-energy vehicles, which include plug-in hybrids, grew 37% year-over-year in the first 11 months of 2023, according to the China Association of Automobile Manufacturers. More than one in three cars sold in China were EVs.

And BYD has done even better. The Warren Buffett-backed carmaker sold more than 3 million new-energy vehicles in 2023, an increase of 62% from a year earlier. Around half that was plug-in hybrids, but its sales of pure EVs grew even faster at 73%. BYD data indicate it sold 526,409 pure EVs in the fourth quarter of 2023, compared with 484,507 vehicles that Tesla said Tuesday it delivered in the same period.

Though nearly 90% of BYD’s sales came from China in December, its exports have been growing fast. BYD’s overseas sales in the second half of 2023 more than tripled from a year earlier.

BYD’s Hong Kong-listed shares rose 11% in 2023. Though that has handily beat the market, it lagged behind Tesla, which doubled last

year. Partly, BYD was dragged down by malaise in Chinese stocks: Hong Kong’s Hang Seng Index lost 14% in 2023, its fourth consecutive year of declines.

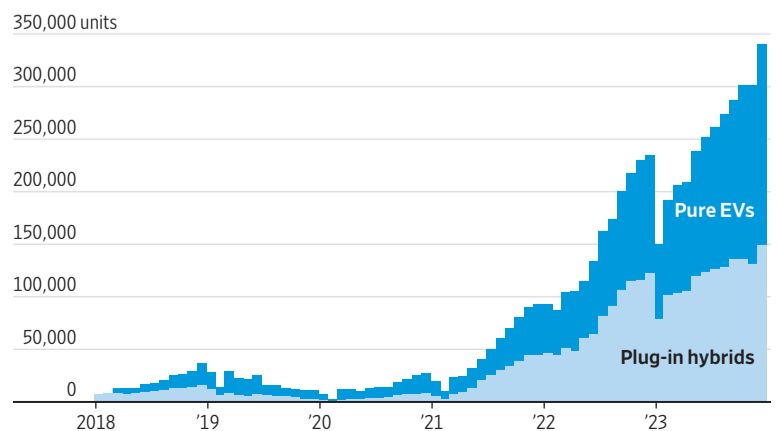
Intense competition in China, marked by price wars throughout the year, was another concern. And that will probably extend into this year: There will be 158 new car models in China in 2024, 80% of which will be EVs, according to HSBC. BYD can probably weather the storm better due to its vertically integrated model, as it did last year when it increased market share. Falling prices of raw materials, like lithium, probably will help, too. Still, Chinese EV makers like BYD will likely look abroad for potentially better margins.

But Western countries are getting more anxious about cheaper Chinese EVs flooding their markets. Europe has launched an anti-subsidy probe into EVs from China while the Biden administration is considering raising tariffs on Chinese EVs. Chinese carmakers therefore have increased investment in Europe to make cars domestically there. BYD, for example, announced its first passenger EV factory in Hungary in December. Hungary is one of the countries that has been friendlier to China in the current geopolitical environment.

BYD’s success at home has put it at the top in the global EV race. It will now try to copy its domestic playbook elsewhere, if nations around the world allow it.

—Jacky Wong

BYD’s monthly sales of new-energy vehicles



Source: Wind