

ADVERTISEMENT



Regent SEVEN SEAS CRUISES AN UNRIVALED EXPERIENCE

EXPLORE THE UNRIVALED™



VISIT RSSC.COM, CALL 1.844.473.4368 OR CONTACT YOUR TRAVEL ADVISOR



When Mary Met the Angel REVIEW

WSJ

THE WALL STREET JOURNAL WEEKEND



The Key To Ageless Style OFF DUTY

DOW JONES | News Corp ***** SATURDAY/SUNDAY, DECEMBER 24 - 25, 2022 - VOL. CCLXXX NO. 149 WSJ.com ★★★★★ \$6.00

What's News

World-Wide

The House voted 225-201 to approve a \$1.65 trillion spending bill as Congress narrowly averted a government shutdown ahead of the Christmas holiday. A4

With the publication late Thursday of the Jan. 6 panel's final report and the committee disbanding, the spotlight returns to the Justice Department. A6

Ukraine's military said it was inflicting heavy losses on Russian forces in the south of the country. A9

Moscow threatened to cut oil output in response to Western price caps. A9

The FDA revised the label for the Plan B emergency-contraceptive pill to make clear it shouldn't be used for abortion. A3

Three people were killed and three injured after a gunman opened fire in and around a Kurdish cultural center in Paris. A7

Japan earmarked over \$2 billion to buy and deploy U.S. Tomahawk missiles. A8

Business & Finance

The U.S. economy showed fresh signs of slowing late this year as consumer spending and business demand softened and inflation eased, according to new data. A1

Musk's wealth and borrowing power are now being tested as Tesla shares have sharply declined while he aims to stabilize his large personal investment in Twitter. A1, B3

Caroline Ellison, a close associate of FTX founder Sam Bankman-Fried, apologized in court this week as she pleaded guilty to fraud and other offenses. A1

U.S. stock indexes rose, with the S&P 500, Dow and Nasdaq gaining 0.6%, 0.5% and 0.2%, respectively. B11

An internal FAA survey found concerns among some inspectors about the agency's approach to overseeing Southwest Airlines. B3

Facebook parent Meta agreed to pay \$725 million to settle a lawsuit stemming from the Cambridge Analytica scandal. B3

NOONAN

Spare Us A Trump-Biden Rematch A13

NOTICE TO READERS

WSJ.com and WSJ mobile apps will publish throughout the Christmas holiday. The print edition won't appear on Monday.

CONTENTS Opinion... A11-13 Books... C7-12 Sports... A14 Business News B3-10 Style & Fashion D1-3 Food... D4-5 Travel... D6 Gear & Gadgets D12-13 U.S. News... A2-4,6 Heard on Street... B12 Weather... A14 Obituaries... A9 World News... A7-9



© 2022 Dow Jones & Company, Inc. All Rights Reserved

Arctic Blast Disrupts Christmas Travel Across the Country



WINTER'S WRATH: Airlines canceled thousands more flights Friday as the severe storm hammering the U.S. continued to wreak havoc ahead of the Christmas weekend. Above, travelers at John Glenn Columbus International Airport in Ohio. A3

Shoppers Slowed Spending Ahead of Holidays

Inflation eased in November, other data suggest the economy softened in late 2022

BY AUSTEN HUFFORD

The U.S. economy showed fresh signs of slowing late this year as consumer spending and business demand softened and inflation eased.

Personal spending increased 0.1% in November from the prior month, the Commerce Department said Friday, marking a pullback from a robust 0.9% increase in October. Households boosted spending on services last month while cutting spending on goods, including autos. When adjusted for inflation, consumer spending was flat.

The personal-consumption expenditures price index—the Federal Reserve's preferred gauge of inflation—rose 5.5% in November from a year earlier, a significant cooling from 6.1% in October. The core PCE-price index, which removes volatile food and energy prices, rose 4.7% in November from a year earlier, compared to 5.5% in October. Please turn to page A2

Musk's Financial Might Wanes With Decline in Tesla Shares

BY TIM HIGGINS

Elon Musk's wealth and borrowing power are now being tested as the Tesla Inc. shares that have fueled his fortune have sharply declined while he aims to stabilize his large personal investment in Twitter Inc.

The auto maker's share value has fallen 18% this past week alone and more than 60% since Mr. Musk announced his plan to buy the social-media platform.

Mr. Musk's ability to use the Tesla stock he owns to raise money, by selling or borrowing against them, has been complicated by their rapid fall in recent months.

Historically, Mr. Musk has been a cash-poor billionaire, depending upon so-called margin loans—borrowing backed up by his shares—for his personal expenses and business investments while holding on to his Tesla shares and benefiting from their rising value.

But Tesla's market value, a company Mr. Musk leads, has

fallen by about \$700 billion this year—and \$846 billion from its peak in 2021—sinking his personal wealth along the way. The dramatic decline in Tesla's valuation comes after years of growth that has allowed him to

fallen by about \$700 billion this year—and \$846 billion from its peak in 2021—sinking his personal wealth along the way. Please turn to page A4

Twitter succession questions drive speculation..... B3

Global flow of goods gets back to normal..... B1

EXCHANGE



MONEY MOVES

Six ways to protect your finances in the new year. B1

Executives Knew FTX Moves Illegal

BY CORINNE RAMEY AND JAMES FANELLI

Caroline Ellison, a close associate of FTX founder Sam Bankman-Fried, apologized in court this week as she pleaded guilty to fraud and other offenses, telling a judge that she and others conspired to steal billions of dollars from customers of the doomed crypto exchange while misleading investors and lenders.

"I am truly sorry for what I

did," Ms. Ellison, the former chief executive of Mr. Bankman-Fried's crypto-trading firm, Alameda Research, said in a New York federal court, according to a transcript of the hearing made available Friday.

"I knew that it was wrong."

Ms. Ellison, 28 years old, and former FTX chief technology officer Gary Wang, 29, pleaded guilty Monday during separate hearings in sealed courtrooms. Both agreed to

cooperate with the government's investigation in exchange for the prospect of lighter sentences.

Ms. Ellison, a former romantic partner of Mr. Bankman-Fried, pleaded guilty to seven criminal counts, including fraud, conspiracy and money laundering. During her hearing, she admitted to conspiring to use billions of dollars from FTX customer accounts to repay loans Alameda had taken out to make risky

investments.

FTX executives had enacted special settings that granted Alameda access to an unlimited line of credit without having to post collateral, pay interest on negative balances or be subject to margin calls, she said.

"I also understood that many FTX customers invested Please turn to page A6

DOJ puts focus on crypto sector, top official says..... A6

Parents Give Dating Help As Presents

Grown children get matchmakers, dating coaches

BY RACHEL WOLFE

Parents who give their grown children a gym membership at Christmas risk a re-criminatory, "What are you saying, Mom? So does surprising them with offers to pay for dating coaches and matchmakers.

Two years ago, Kelli Kaku's mother bought her the \$797 online course, "Fall in Love by Christmas." Ms. Kaku, 34 years old, was blindsided.

"I was like, 'I'm trying!'" said Ms. Kaku, a seventh-grade teacher who had moved back home to Fresno, Calif., at the time. She agreed Please turn to page A8

Putin Leans on Hard-Line Advisers

Like-minded allies played down bad news, compounding his Ukraine miscalculations

MOSCOW—Russian troops were losing the battle for Lyman, a small city in eastern Ukraine, in late September when a call came in for the commanding officer on the front line, over an encrypted line from Moscow.

By Evan Gershkovich, Thomas Grove, Drew Hinshaw and Joe Parkinson

It was Vladimir Putin, ordering them not to retreat.

The president seemed to have limited understanding of the reality of the situation, according to current and former U.S. and European officials and a former senior Russian intelligence officer briefed on the exchange. His

poorly equipped front-line troops were being encircled by a Ukrainian advance backed by artillery provided by the West. Mr. Putin rebuffed his own generals' commands and told the troops to hold firm, they said.

The Ukrainian ambushes continued, and on Oct. 1, Russian soldiers hastily withdrew, leaving behind dozens of dead bodies and supplies of artillery to restock Ukraine's weapons caches.

Mr. Putin expected the war in Ukraine to be swift, popular and triumphant. For months, he struggled to Please turn to page A10

Kyiv claims big losses by Russia in the south..... A9

Regent SEVEN SEAS CRUISES AN UNRIVALED EXPERIENCE CELEBRATE THE GIFT OF TRAVEL Enjoy a FREE Land Program* on select sailings to Europe in 2023 Availability is limited. Special offer ends January 6, 2023. VISIT RSSC.COM, CALL 1.844.473.4368 OR CONTACT YOUR TRAVEL ADVISOR *For applicable sailings and full Terms and Conditions, please visit RSSC.com/Gift-of-Travel

U.S. NEWS

Gig-Economy Tax Law Is Delayed

IRS puts off by a year e-commerce reporting rules for any user with over \$600 in revenue

By LAURA SAUNDERS AND RICHARD RUBIN

The Internal Revenue Service on Friday delayed by one year a law requiring e-commerce platforms such as eBay, Etsy and Airbnb to give the tax agency information on users with more than \$600 in revenue.

Now, platform sellers and the IRS won't receive a blizzard of 1099-K tax forms early in 2023 for their 2022 sales. The move comes as a relief to taxpayers and tax preparers who had been bracing for a messy tax-filing season. The change also gives opponents of the \$600 threshold more time to push for a change in

the law next year. "The additional time will help reduce confusion during the upcoming 2023 tax-filing season and provide more time for taxpayers to prepare and understand the new reporting requirements," said Acting IRS Commissioner Doug O'Donnell.

Affected companies had been pressing Congress and the Biden administration for action. "This change ensures that taxpayers won't be blindsided by burdensome new tax reporting requirements," said Arshi Siddiqui, an attorney who heads the Coalition for 1099-K Fairness, an industry group that advocates for a higher reporting threshold. The IRS received about 12 million 1099-Ks for 2021, but the lower threshold would greatly increase that.

Congress passed the \$600 threshold for Form 1099-K reports as part of the American Rescue Plan Act in March

2021, scheduling it to take effect for the 2022 tax year. Until the change, platforms had to report users' income to the IRS if they had more than 200 transactions and \$20,000 of revenue. Lawmakers lowered the threshold to boost tax compliance in an area where it is often lacking—unreported business income. The provision was projected to raise \$8.4 billion over a decade, according to the congressional Joint Committee on Taxation.

It also provided the agency with a way to find some platform users with large amounts of unreported income. Typically, when taxpayers know that the IRS has independent information about their income, they are more likely to report that income.

The delay doesn't change what income is taxable, just what information the IRS will receive. So sellers and gig-economy workers must still

track and report their income. The reporting rules are intended only to capture business transactions, not people using Venmo or other payment apps for gifts or splitting the cost of meals.

"We are not looking to nickel and dime a taxpayer over a \$100 couch on eBay," said Melanie Krause, acting IRS deputy commissioner for services and enforcement.

The \$600 threshold would affect many gig workers who are independent contractors and haven't been reporting income on their tax returns. Paying taxes on those earnings could come as a jolt.

Although the 2021 change wouldn't have required these sellers to submit records with their tax returns to support deductions, it underscored the necessity of keeping such records in case of an IRS audit.

Many lawmakers welcomed the delay, as the \$600 thresh-

old has attracted opposition this year. Sen. Jon Tester (D., Mont.) voted with Republicans and Sen. Kyrsten Sinema (I., Ariz.) for an amendment—which failed—that would have repealed the \$600 requirement and rescinded tens of billions of dollars in IRS funding.

"The IRS should be focused on holding millionaires and massive corporations accountable, not wasting time on unnecessary requirements that confuse hardworking Montanans or small businesses," Mr. Tester said.

Rep. Carol Miller (R., W.Va.) said she supported the IRS decision while questioning whether the administration had legal authority given the clear deadline in the law.

NOTICE TO READERS
The Numbers column will return in future editions.

Agencies Postpone New Rules For Crypto Brokers

By ANDREW DUEHREN

WASHINGTON—The Biden administration delayed a requirement that cryptocurrency brokers begin tracking and reporting investors' gains to the Internal Revenue Service, punting on the original Jan. 1 timeline for a change that had been resisted by crypto brokers and some members of Congress.

As part of the \$1 trillion infrastructure bill signed into law in 2021, Congress required brokers of digital assets to detail the proceeds of their customers' transactions to the IRS in a 1099 form. The goal of the provision, estimated to raise \$28 billion in revenue over 10 years, was to collect more taxes owed from crypto trading by imposing the same rules on the industry as apply to traditional securities brokers.

But the IRS and the Treasury Department have yet to formulate the rules for enforcing the provision, leaving critical questions—such as the definition of a broker—unresolved.

The IRS and the Treasury said on Friday that the new reporting requirements wouldn't take effect until the agencies had finished writing the rules governing them.

Some lawmakers have sought to amend the new reporting requirements by narrowing the definition of a broker.

They, as well as cryptocurrency industry groups, have argued that the current definition could include bitcoin miners and other entities that may struggle to comply with the rules.

Washington's approach to regulating the cryptocurrency industry has come under fresh fire since the collapse of exchange FTX and the arrest of founder Sam Bankman-Fried. Mr. Bankman-Fried and his team were major donors to both political parties and lobbied to try to create a regulatory regime friendly to the industry, which has lost much of its market value in the past year.

The push to require crypto brokers to report on their customers' gains is aimed at clamping down on crypto investors' tax avoidance. In a recent court filing, the IRS said that in 2019 only about 100,000 tax returns reported crypto transactions. Surveys suggest tens of millions of Americans have bought or sold crypto.

U.S. WATCH

CALIFORNIA

Rapper Tory Lanez Guilty on 3 Counts

A Los Angeles jury on Friday found rapper Tory Lanez guilty of three felonies in the 2020 shooting of hip-hop star Megan Thee Stallion that left her wounded with bullet fragments in her feet.

The jury of seven women and five men deliberated for one day before convicting the 30-year-old Canadian rapper, whose legal name is Daystar Peterson, of assault with a semiautomatic firearm, having a loaded, unregistered firearm in a vehicle and discharging a firearm with gross negligence.

The counts could lead to up to 22 years in prison.

Mr. Lanez showed no visible reaction as the verdict was read. Megan Thee Stallion, whose

legal name is Megan Pete, testified during the trial that Mr. Lanez fired a handgun at the back of her feet and shouted for her to dance as she walked away from an SUV in which they had been riding in the Hollywood Hills in the summer of 2020.

She needed surgery to remove bullet fragments from her feet.

The shooting set off a storm of cultural issues and arguments during the trial.

Mr. Lanez began releasing mixtapes in 2009 and saw a steady rise in popularity, moving on to major-label albums. His last two reached the top 10 on Billboard's charts.

Megan Thee Stallion was already a star at the time of the shooting, and her prominence has surged since. She won a Grammy for best new artist in 2021.

—Associated Press

OHIO

Second Missing Baby Is Found in Indiana

Police officers in Indianapolis found the second of two missing 5-month-old twins in an abandoned car that had been stolen three days earlier in Columbus, Ohio, authorities said. The infant was found Thursday evening, hours after police arrested Nalah Tamiko Jackson, 24, on kidnapping charges, Columbus police said.

The baby boy was in good health, police said. Indianapolis police said they believe the missing car had been in the parking lot for about two days. One of the twins was found hours after the theft in a parking lot near Dayton International Airport in Ohio.

Court records didn't indicate whether Ms. Jackson has an attorney yet.

—Associated Press

CDC

Flu Cases Decline In Some Regions

Flu is decreasing in many parts of the U.S. after an alarmingly early and strong start to the season.

The number of flu hospital admissions fell for the second week in a row, according to a national surveillance system run by the Centers for Disease Control and Prevention. The percentage of doctor's office visits due to fever and other flu-like symptoms has dropped for three weeks in a row.

"It looks like for this first wave of activity, maybe we've seen the worst of that," said the CDC's Lynnette Brammer, who leads the government agency's tracking of flu in the U.S.

There is still a lot of flu spreading, she said. CDC data in-

dicates flu activity last week was high or very high in 45 states.

The current decline doesn't mean flu will recede for the rest of the winter. Second surges are common, said Dr. William Schaffner, a Vanderbilt University infectious diseases expert. "Viruses love to make you look foolish when you're predicting what they're going to do," he said.

The annual winter flu season usually doesn't get going until December or January, but this one took off in early November. It has been complicated by the simultaneous spread of other viruses, including Covid-19 and RSV.

Health officials said Friday that 6.3% of outpatient medical visits last week were due to flu-like illnesses. That had been as high as 7.5% but has been falling since the week of Thanksgiving.

—Associated Press

Consumers Slow Their Spending

Continued from Page One with 5.0% in October.

On a month-to-month basis, the PCE-price index rose 0.1% in November from the prior month, compared with October's 0.4% increase. Core prices rose 0.2% in November from the prior month, easing from October's 0.3% increase.

Other figures released on Friday pointed to slowing business demand with a decline in orders for long-lasting goods. Consumer sentiment improved as concerns over inflation eased. And new home sales increased in November from the prior month, but were well below sales for the same month a year earlier.

Stocks closed slightly higher Friday and Treasury yields rose. Bond yields rise when prices fall.

The latest data added to evidence that inflation has eased from highs reached over the summer and that economic growth has slowed from a red-hot pace during the pandemic rebound.

The Fed has aggressively raised its benchmark interest rate this year to cool the economy and fight inflation. Fed officials have signaled plans to continue lifting rates through the spring.

"The economy is moving in the right direction but not quickly enough," said Gus Faucher, the chief economist at PNC Financial Services Group, "Inflation is slowing but services inflation is a real problem" as the Fed attempts to bring down inflation.

Mr. Faucher said rising prices for services could remain higher than the Fed wants. The price index for goods declined 0.4% in November from October while the one for services rose 0.4%.

Fed Chair Jerome Powell has said officials are looking for evidence of a sustained easing of price pressures, with an eye on still-elevated services inflation and wage gains.

"We welcome these better inflation reports...but I think we're realistic about the broader project," Mr. Powell said after the Fed's December



November retail sales fell 0.6% from the prior month for the biggest monthly decline this year, according to the Commerce Department.

policy meeting, saying the inflation fight was "going to take time."

Spending on goods including cars, furniture and hobby purchases, such as all-terrain vehicles, declined in November from October. Services, including spending on housing, medical care, recreation and restaurants, increased.

"You have weakness in goods demand, but all the services sectors still look pretty good," said Veronica Clark, an economist at Citigroup.

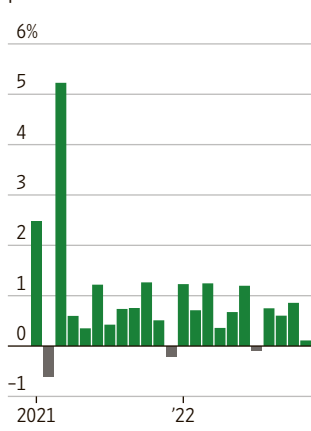
Spending on hotels and restaurants rose 1.1% in November from October and is up 15% from a year ago. Daniel Ramirez of the Ramirez Hospitality Group said people have been eager to eat with friends and family at his Mexican restaurants in Colorado even in freezing cold temperatures.

"Even on a day like today, people are still going out," he said. "They love their green chili."

Consumer spending, the main driver of economic growth, contributed to stronger than previously estimated third-quarter growth, the Commerce Department said Thursday, after two consecutive quarters of contraction.

The labor market remains tight, with unemployment at 3.7% and demand for workers greatly exceeding the number of unemployed people looking

for work, though some companies have announced layoffs in recent weeks. That has helped buoy household income despite rapidly rising prices and the Fed's rate increases.



*Seasonally adjusted

sharply on holiday-related purchases, home projects and cars. U.S. business activity declined further in December, as demand for goods decreased and factories cut production, according to surveys released last week by S&P Global. But inflationary pressures also eased.

Kayla Bruun, an economic analyst at decision-intelligence company Morning Consult, said lower-wage workers were getting hit harder by inflation and starting to pull back spending. "Inflation concerns are a big downward pressure on spending," she said. "Consumers are working their way through their savings buffers."

She also said the Fed is watching wage growth as it considers next steps in its inflation fight. The Fed approved an interest-rate increase of 0.5 percentage point this month and signaled plans to lift rates through the spring, though likely in smaller increments.

"There is a concern that the pace of wage growth will put a floor on how much those prices will fall," Ms. Bruun said. Mark Yonally, co-owner of Albany, N.Y., clothing store B. Lodge & Co., said customers have been shopping for gifts in recent weeks. "We are having a good holiday season," he said. "Some seasons are spread out, some come all at the last minute."

Department said that new orders for long-lasting products—including planes, factory equipment, computers and washing machines—declined 2.1% in November to a seasonally adjusted \$270.6 billion. A closely watched proxy for business investment increased 0.2% to \$75.2 billion in November compared with the previous month.

Consumer spending has shown signs of cooling during the holiday season. November retail sales fell 0.6% from the prior month for the biggest monthly decline this year, the Commerce Department said earlier this month.

Shoppers pulled back

CORRECTIONS & AMPLIFICATIONS

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., Chicago, MA 01020.

All advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor:
Fax: 212-416-2891; email: wsj.letters@wsj.com

Need assistance with your subscription?
By web: customercenter.wsj.com
By email: wsjsupport@wsj.com
By phone: 1-800-JOURNAL (1-800-568-7625)

Reprints & licensing:
By email: customerreprints@dowjones.com
By phone: 1-800-843-0008

WSJ back issues and framed pages:
wsjshop.com

Our newspapers are 100% sourced from sustainably certified mills.

GOT A TIP FOR US? SUBMIT IT AT WSJ.COM/TIPS

U.S. NEWS

Airlines Cancel 5,000 Flights Due to Storm

By ALISON SIDER

Airlines canceled about 5,000 flights on Friday with a severe winter storm upending travel during some of the busiest travel days ahead of the Christmas holiday.

More than 8,000 flights to, from and within the U.S. had been scrapped since Wednesday, according to FlightAware, a flight tracking site, with the disruptions following the storm's eastward trajectory Friday. Another 400 more were slated to be canceled Saturday.

Bitter cold in the Midwest, high winds from Boston to Atlanta and snow and ice in the Pacific Northwest posed fresh challenges for airline operations Friday. Airports in New York, Detroit, Chicago, Washington D.C., Portland and Seattle all faced high numbers of cancellations.

The storm's arrival during a bustling and stressful holiday week interrupts what had been a period of relative calm. Airlines had struggled with the rapid rebound in travel appetite

earlier in the year, provoking criticism from lawmakers and regulators, but had taken steps to stabilize operations.

Airlines canceled around 20% of scheduled flights Friday, marking one of the worst days for travel this year.

But the week's cancellations were in line with disruptions during previous severe weather events. In early February, for example, airlines canceled more than 11,000 flights over three days due to a winter storm that brought snow and ice across much of the Midwest and northeast, according to FlightAware.

Disruptions over the holidays can have an outsize impact, when flights are full and empty seats can be hard to come by. Airlines had been anticipating some of their biggest crowds since the beginning of the Covid-19 pandemic, and passenger volumes at U.S. airports have been near 2019 levels, or even higher on some days this week, according to the Transportation Security Administration.

At Seattle-Tacoma Interna-



Travelers scanned a board showing flight cancellations and delays at Ronald Reagan Washington National Airport on Friday.

tional Airport, runways and other surfaces were blanketed in a sheet of ice Friday morning, and multiple runways were closed. Alaska Air Group Inc. canceled all its flights to and from Seattle and Portland Friday for much of the day. Even as operations began to resume in Seattle, the airline said that planes and ramp areas remained covered in ice.

Few rebooking options were available and call centers were overwhelmed, leading to long hold times.

Delta Air Lines Inc. said all its hubs were affected by weather, either frigid temperatures, strong gusty winds, or snow or cold rain. The airline said it had to cancel hundreds of flights Friday morning.

United Airlines Holdings

Inc. said extreme cold in Chicago and Denver remained a challenge—employees can't spend as long working outside when temperatures plunge.

Yadiel Plascencia has been trying to make it home to Northern California since Wednesday, but got stuck in Orlando, Fla.

Over the course of some 12 hours at the Orlando airport

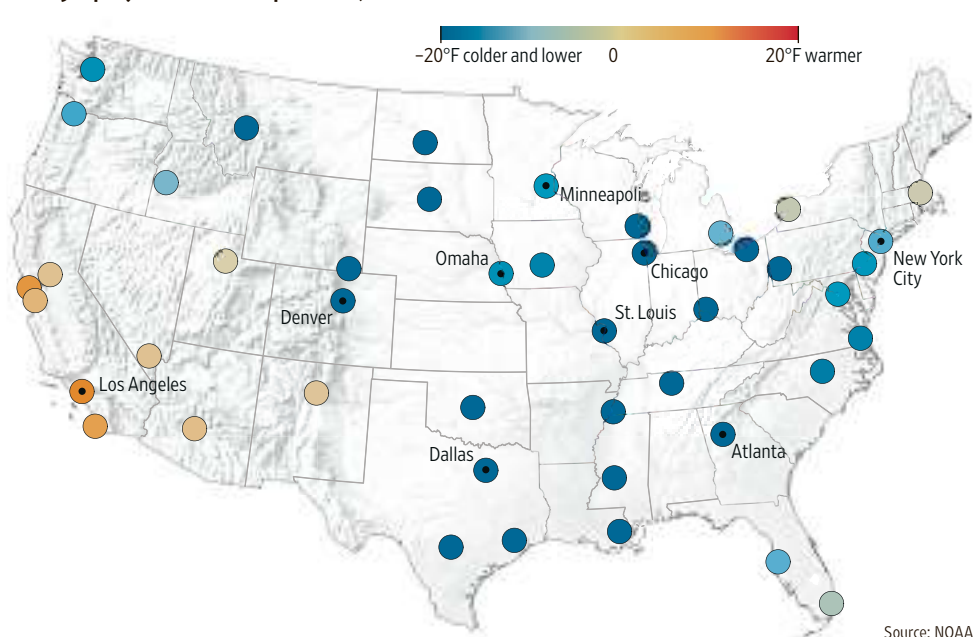
Thursday, she watched as more flights were canceled. She boarded a flight to Salt Lake City on Thursday evening, but after a delay, missed her connecting flight. She was booked on another flight Friday morning.

She said: "I've never missed the holidays. I'm my mom's only daughter, I always help her cook."

Death Toll Rises as Arctic Front Pushes to the East

By SURYATAPA BHATTACHARYA AND GINGER ADAMS OTIS

Friday's projected low temperature, difference from the 1981 to 2000 December low for that area



A powerful winter storm has left at least 15 people dead and more than a million customers without power as it swept east, creating road hazards and air travel delays at the start of the Christmas weekend.

The Arctic front flooded coastal towns, grounded thousands of planes and caused commuter train delays and suspensions in many places.

The storm became a bomb cyclone on Friday as it tore through some of the country's major cities, according to the National Weather Service.

Cities such as Atlanta, Boston, Chicago and New York were seeing wind gusts higher than 45 to 55 miles an hour, among other hazardous conditions.

Buffalo, N.Y., was the hardest hit Friday, with wind gusts of up to 70 mph, said Greg Carbin, a meteorologist with the National Weather Service. Buffalo was ground zero, and "that's where true blizzard conditions have been seen," he said.

The term "bomb cyclone" refers to a rapid drop of barometric pressure in a short period. Such intense storms can be destructive when they move, dropping heavy snow, creating blizzard-like winds

and raising the risk of white-out conditions.

The storm was dumping rain onto parts of northern New England late Friday, with high winds and bitter cold forecast for much of the U.S. into the weekend.

The Arctic front that began moving east from the Rockies earlier in the week—bringing along rain, snow and high winds—is expected to last

through Saturday and even longer in some locations, according to the National Weather Service.

At least four people died in a pileup involving about 50 vehicles on the Ohio Turnpike Friday between Cleveland and Toledo. The Ohio State Highway Patrol confirmed the fatalities in the accident that occurred on the eastbound side of Interstate 80 in Groton Township. Crews

were clearing 15 commercial vehicles from the road.

In Kentucky, at least three people died as a result of the storm by late Friday morning, according to Gov. Andy Beshear. One person was killed in a car accident and one homeless person died in Louisville.

"Stay inside," Mr. Beshear said at a news conference. "Stay off the roads. The last-second shopping is not worth it

if it would cost you your life."

Three people were killed in Oklahoma in separate crashes on icy roads Thursday, said Eric Foster, a trooper with the Oklahoma Highway Patrol.

One death occurred on the Turner Turnpike northeast of Oklahoma City and involved five to six vehicles. A person exited their vehicle to inspect the damage and was struck by a semi-trailer.

A Kansas official said three fatal traffic accidents occurred Wednesday night as the storm began to hit the state.

Roughly one million customers were without electricity Friday evening across Texas and along the East Coast, according to poweroutage.us, which tracks blackouts nationwide. That figure was down from 1.5 million earlier in the day.

Extreme winds in the Great Lakes Region and northern Ohio and parts of the mid-Atlantic created dangerously low visibility Friday, even as the storm's freezing mix of rain and snow tapered off in some areas.

Waves on the Great Lakes were expected to reach more than 30 feet high in isolated areas, while sustained winds could push enough water east to cause flooding that could reach record levels in Buffalo.

Overnight, wind chills are

expected to bring temperatures as much as 32 degrees below zero, according to National Weather Service meteorologist Brian Hurley.

"It will be warmer in some places and colder in others, but we're looking at subzero temperatures across a good chunk of the nation—probably half the nation—overnight," he said.

Parts of Connecticut, Long Island and coastal New York were struggling with flooding Friday as the storm's winds brought ocean surges amid heavy rain.

Tennessee experienced forced rolling blackouts after power-generation facilities in the state were overwhelmed by demand because of below-zero temperatures.

The Tennessee Valley Authority, which sells electricity to power companies, ordered those companies to lower their power load to protect the grid.

—Kris Maher, Joseph Pisani, Joe Barrett, Cameron McWhirter and Adolfo Flores contributed to this article.

Watch a Video



Scan this code for a video on the severe weather gripping the U.S.

FDA Revises Label for Plan B to Say Contraceptive Pill Isn't for Abortion

By JULIE WERNAU

The Food and Drug Administration revised the label for the Plan B emergency-contraceptive pill to make clear it shouldn't be used for abortion.

Under the changes made Friday, the drug's label says the pill usually works before the release of an egg from an ovary.

"Do not use if you are already pregnant (because it will not work)," the label says.

Also known as the morning after pill, Plan B One-Step is composed of levonorgestrel, a synthetic hormone used in birth-control pills for more than 35 years, and is available

over the counter. It is different from medication abortion, known as Plan C, which can terminate a pregnancy.

Use of Plan B increased after the Supreme Court overturned Roe v. Wade, prompting pharmacies to ration supplies.

The FDA said it changed the label and information about the medication on its website in response to current science, which the agency said supports the conclusion that Plan B works by inhibiting or delaying ovulation. "There is no direct effect on fertilization or implantation," the FDA said.

"It's a huge relief that the FDA has changed the labeling

so that it actually reflects what we know is scientifically true," said Michelle Brown, legislative chair for the Illinois chapter of the American College of Obstetricians and Gynecologists and an OB-GYN at Northwestern Medicine.

Since the Supreme Court's abortion decision, several states have sought to enact legislation to confer "personhood rights" to fertilized eggs, embryos and fetuses.

Their moves raised concerns from abortion supporters and doctors that people would read the drug's label, which had said the pill could block fertilized eggs from implanting in the

womb, to mean the drug effectively aborts a fertilized egg.

It also raised concerns that some women could mistakenly use the pills to try to self-manage abortions at home.

Yet researchers said there wasn't scientific evidence finding the pill can stop a fertilized egg from attaching to the womb. In 2013, health authorities in Europe revised the label for an identical drug to Plan B saying that there was no such evidence.

Under the FDA's changes, consumer leaflets for the pill will now say: "Plan B One-Step will not work if you are already pregnant and will not affect an existing pregnancy."

The change is the result of the FDA's review of Foundation Consumer Healthcare's 2018 application to alter the label for its product.

The FDA said Plan B One-Step, when taken as directed within 72 hours after sex, prevents pregnancy by acting on ovulation well before implantation.

Unlike emergency contraception, medication abortions typically involve two medications—mifepristone and misoprostol. Mifepristone blocks the hormone progesterone, which is needed to sustain a pregnancy. Misoprostol causes uterine contractions and bleeding.



Plan B, known as the morning after pill, is an emergency contraceptive sold over the counter.

PAUL MORELLI

PAULMORELLI.COM

NYC: 895 MADISON (72nd & MADISON)
PHIL: 1118 WALNUT STREET
917.227.9039

U.S. NEWS



In his final speech this year, House Minority Leader Kevin McCarthy on Friday pitched himself as a hard-line spending hawk.

McCarthy Makes Pitch for Speaker

BY NATALIE ANDREWS

WASHINGTON—House Minority Leader Kevin McCarthy used his last speech on the House floor this year to pitch himself to his colleagues as a hard-line spending hawk who will confront Democrats in the new Congress, as he tries to firm up support in his run for speaker.

Ahead of votes Friday on the \$1.65 trillion omnibus bill, the California Republican lambasted the package in a 25-minute speech on the House floor, criticizing its price tag and what it contained.

“This is a monstrosity and one of the most shameful acts I’ve ever seen in this body,” Mr. McCarthy said. “It’s jam-packed with wokeism, Washington special interests and wasteful spending that means more crushing debt to 300 million Americans and genera-

tions to come,” he said.

On Friday afternoon, the House passed the bill largely along party lines.

Earlier this week, Mr. McCarthy said he agreed with a letter circulated by more than 30 House Republicans committing to not work with any Senate Republican who voted for the omnibus, a commitment that will be difficult for any lawmaker to keep. Ultimately, 18 GOP senators voted in favor of the omnibus, including Senate Minority Leader Mitch McConnell.

Mr. McCarthy has been the House minority leader since 2019, throwing himself into fundraising and campaigning for House Republicans to win back the majority and putting himself in the driver’s seat to become speaker.

But he faces a roadblock: A small number of detractors with long-held grudges say

they won’t vote for him.

To be elected speaker, a candidate needs to garner at least 218 votes, or the majority of those present and voting in a roll-call vote on the first day of the new Congress. Because House Republicans are expected to have a thin advantage of 222-212, with one absence, Mr. McCarthy can’t lose more than four from his conference, if all Democrats back their leadership, as they traditionally do.

Should a speaker candidate not pull in 218 votes on the first ballot, the voting starts over and continues until a winner emerges. Five Republicans have committed to vote against Mr. McCarthy on the first ballot. But more Republicans have said they would only vote for Mr. McCarthy, no matter how many ballots the race continues for.

Some Republicans are wary

of Mr. McCarthy over his work in leadership under former Republican Speakers Paul Ryan and John Boehner, both of whom reached across the aisle to work with Democrats on must-pass bills. Mr. McCarthy’s adamant opposition to this spending bill has become central to his campaign.

“Kevin McCarthy has only sprung into action on the omnibus recently,” said Rep. Matt Gaetz (R., Fla.), one of Mr. McCarthy’s detractors, on One America News.

House Speaker Nancy Pelosi (D., Calif.), in her final floor speech in Democratic leadership, highlighted Mr. McCarthy’s contention that the omnibus vote was one of the most shameful acts that he had ever seen.

Referencing the Capitol riot of early 2021, she said: “I can’t help but wonder, had he forgotten Jan. 6?”

House Passes \$1.65 Trillion Spending Bill

BY NATALIE ANDREWS

WASHINGTON—The House voted 225 to 201, with one lawmaker voting present, to approve a \$1.65 trillion spending bill on Friday, as Congress narrowly averted a government shutdown ahead of the Christmas holiday and wrapped up a busy two-year session under complete Democratic control.

The bill, which funds the federal government for the full 2023 fiscal year, cleared the Senate on Thursday and now goes to President Biden’s desk for his signature. The vote was the last act of this Congress and many members had already left town, with about half the chamber voting by proxy under a Covid-19-related provision.

“Yes, indeed the goose is getting fat—we have a big bill here, because we had big needs for our country,” said House Speaker Nancy Pelosi (D., Calif.) in her last speech on the floor as party leader.

Mr. Biden praised the bill and said he will sign it into law as soon as it reaches his desk.

The vote was largely along party lines, with only one Democrat, Rep. Alexandria Ocasio-Cortez of New York, voting against the bill. Rep. Rashida Tlaib of Michigan voted present. Both have aired concerns about sharp increases in military spending. Nine Republicans crossed party lines to back the measure.

House Minority Leader Kevin McCarthy (R., Calif.) has made opposition to the package a central piece of his campaign to become the next speaker of the House. He had urged Senate GOP leaders to push negotiations into next year in order to have more leverage on cutting spending, but they ignored that call, in part because of concerns over whether House Republicans would be able to reach a deal.

The omnibus legislation includes \$858 billion in military spending, \$45 billion more than the White House had requested and up about 10% from \$782 billion the prior year. It also includes \$772.5 billion in nondefense discretionary spending, up almost 6% from \$730 billion the prior year. The overall discretionary price tag works out to about \$1.65 trillion.

The legislation also includes \$45 billion in aid to help Ukraine fight against Russia’s invasion. Ukrainian President Volodymyr Zelensky made a direct appeal to Congress this week in a surprise trip to Washington.

The bill includes changes to the 1887 Electoral Count Act that would make it harder to block the certification of a presidential election, as well

as revisions to the U.S. retirement system. It also widens a ban on TikTok on government devices.

“I would say that the omnibus was an appropriate metaphor for the last two years, a lot of sturm und drang, a lot of ups and downs. But the end, a great result that really helped the American people,” Senate Majority Leader Chuck Schumer (D., N.Y.) said Thursday.

Rep. Kay Granger of Texas, the top Republican on the House Appropriations Committee, cheered the increase in military spending but said the domestic boost was too large. “The package of bills before us represents continued spending in areas that had already received large increases,” she said. The nondefense spending “is just too much to gain my support.”

Senators also added legislation to the spending bill that would apply workplace accommodations to employees who had limitations based on pregnancy or childbirth and another that expanded workplace accommodations for breast-feeding. Senators also amended the bill to allow Covid-19 funds for infrastructure projects and give Ukraine funds from previously forfeited property.

Rep. Chip Roy (R., Texas) objected to the widespread use of proxy voting on Friday, saying there was not a full quorum of lawmakers present.

‘We have a big bill here, because we had big needs for our country.’

Agency Gains More Oversight Over Cosmetics

BY LIZ ESSLLEY WHYTE

Congress gave the Food and Drug Administration more power to regulate cosmetics, ensure fast-tracked drugs work and oversee infant formula supplies in its end-of-year spending bill.

The legislation, a wide-ranging bill that authorized \$1.65 trillion in federal government spending for fiscal 2023, addresses several gaps in the FDA’s regulatory powers that the agency, lawmakers and some industry groups had been seeking for years to fill.

Under the legislation, Congress made the first changes to the FDA’s oversight of cosmetics since 1938. The bill orders the agency to issue manufacturing standards for the products, and requires compa-

nies to tell the FDA where their products are made and the ingredients—steps that were previously voluntary.

In addition, the legislation also mandates that cosmetic manufacturers report serious side effects to the FDA, gives the agency power to issue a mandatory recall and requires that cosmetics and fragrances disclose information about allergens on their labels.

“There’s been negotiations for roughly 10 years over cosmetic legislation,” said Peter Barton Hutt, a food-and-drug lawyer who has represented the cosmetics industry. “Congress never got very excited about it because cosmetics are by far the safest thing that FDA regulates.”

Sen. Susan Collins (R., Maine) and Sen. Dianne Fein-

stein (D., Calif.) sponsored the cosmetics legislation, portions of which were added to the spending package. Ms. Feinstein said the changes will protect consumers from dangerous products.

The Fragrance Creators Association, which represents scent manufacturers, and the Personal Care Products Council, a cosmetic-industry group, said the legislation will advance innovation, modernize oversight and bolster consumer confidence.

The end-of-year legislation also tightens a program for approving prescription drugs faster than the agency typically would do.

Under the program, the agency speeds up its decisions by relying on signs such as reducing cholesterol or halting

tumor growth that indicate a drug will help patients. In exchange, companies are supposed to conduct more thorough follow-up studies confirming the benefit.

Some doctors and researchers had said the program was too lax because many companies didn’t undertake or complete the studies, which meant drugs that didn’t work stayed on sale.

The legislation specifies the FDA can require that follow-up studies are under way before granting a drug “accelerated approval” based on preliminary evidence.

Also under the spending bill, Congress requires the FDA to create a new Office of Critical Foods to oversee baby formula. Powdered formula was in short supply earlier this year.

Tesla Stock Drop Tests Elon Musk

Continued from Page One easily borrow money without having to cash out his shares.

Shares in Tesla have fallen around 65% in 2022, dinged, in part, by the higher interest-rate environment. Another issue relates to the reason he may need cash: Twitter. Tesla investors have been concerned that his attention is divided following his October takeover of the social-media company.

Late last year, just as Tesla’s stock price peaked, he began selling Tesla shares, totaling more than \$39 billion, including \$3.5 billion earlier this month. It’s unclear what his liquidity is like after what he said would be a more than \$11 billion tax bill for 2021 and putting up roughly \$25 billion in cash as part of buying Twitter.

Mr. Musk’s current Tesla holdings, not including exercisable options, total 424 million shares valued at about \$52 billion at Friday’s closing price of \$123.15 a share.

Simply put, if he could tap all of those shares as collateral under Tesla’s rules, he would be allowed to borrow about \$13



Mr. Musk’s current Tesla holdings, not including exercisable options, total 424 million shares valued at about \$52 billion.

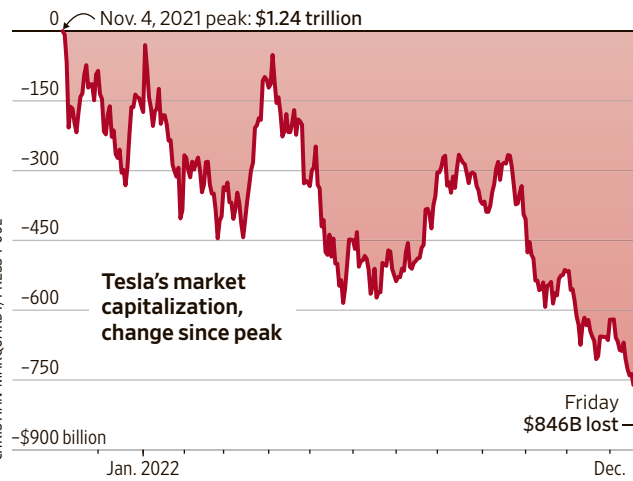
billion. That’s only a bit more than he planned to borrow in April as part of the original Twitter deal using just 40% of his shares as collateral, underscoring how his borrowing power has shrunk with the plunge of Tesla’s shares. He later scrapped those proposed margin loans to fund the deal amid investor concerns over the risk.

Mr. Musk and Tesla didn’t respond to a request for comment.

Tesla shares aren’t his only asset or only avenue to raise money. He also holds shares in Space Exploration & Technologies Corp., or SpaceX, and has ownership in startups such as the Boring Co. His level of personal indebtedness isn’t clear.

Mr. Musk is facing questions about whether Tesla, where he is also CEO, is ready for a recession as he separately tries to stem losses at Twitter, cutting thousands of workers from his newly acquired social-media platform. On Tuesday, he said drastic spending cuts at Twitter were required as the company was on track to bleed billions of dollars. His team had been seeking additional investment dollars for Twitter. “We have an emergency fire drill on our hands,” Mr. Musk said in a talk on Twitter Spaces. After those efforts, he said, Twitter could break even next year.

While Twitter has rarely been profitable in the past decade, its finances were made more challenging by the debt



Source: FactSet

Mr. Musk took on to fund his acquisition and by a decline in spending by advertisers worried about the erratic changes occurring under his leadership. Analysts estimate the debt expenses alone have added more than \$1 billion in cost annually to a company that last year generated \$5 billion in sales, mostly from ads.

Mr. Musk has been here before—mired in debt and burning cash as the global economy teeters—and emerged successfully. Those successes and investor enthusiasm for his ventures made him rank as the world’s richest person for a time. He is now No. 2 behind Bernard Arnault, the chairman and CEO of LVMH Moët Hennessey Louis Vuitton. Mr. Musk’s

fortune fell to an estimated \$140 billion as of Thursday from a high of \$340 billion a little more than a year ago, according to the Bloomberg Billionaires Index.

If he needs cash, Mr. Musk could sell more Tesla shares, as he did recently. But, in the past, Mr. Musk, Tesla’s largest individual shareholder, has been reluctant to sell. At Tesla, Mr. Musk lacks the kind of dual class of stock ownership that gives founders at Meta Platforms Inc. or Alphabet Inc. controlling power. Instead, Mr. Musk’s large stake in Tesla, in the past, has effectively given him veto power over shareholder proposals thanks to the company’s supermajority vote requirement.

On Thursday, Mr. Musk said he sold some stock to make sure he had “powder dry...for a worst-case scenario” and said that he was done selling until probably 2025, though he has made similar statements like that this year only to sell more.

“I’m somewhat paranoid having gone through two really intense recessions,” Mr. Musk said.

While he had used margin loans before, the idea of borrowing billions off the backs of Tesla shares to help Twitter carries risks. Tesla’s board has limited his borrowing power to essentially 25 cents on every dollar of share value, according to regulatory filings. As the shares fall in value, he must comply with the 25% limit. The risk to Tesla shareholders, as the company describes in its regulatory filings, is that he may have to unload a lot of shares at once to generate cash. He has never disclosed at what price he would need to pony up more collateral.

In recent days, Mr. Musk has swatted down the idea of margin loans altogether, cautioning in a tweet that such a move was unwise in this market. As of the most recent public filing, Mr. Musk had pledged as collateral more than half of his Tesla holdings, excluding options he could exercise. Pledging doesn’t necessarily indicate that actual borrowing against those shares has occurred, the filing said.

DO YOU HAVE HEART FAILURE

AND STILL EXPERIENCE UNRESOLVED SYMPTOMS?



RECOGNIZE THE SIGNS.



Heart failure and seemingly unrelated symptoms could mean ATTR-CM (transthyretin amyloid cardiomyopathy). ATTR-CM is a rare, underdiagnosed disease that worsens over time.

ConnectHeartFailure.com

Ask your cardiologist about ATTR-CM

U.S. NEWS

Jan. 6 Spotlight Shifts As Panel's Work Ends

Focus now turns to Justice Department's efforts to investigate Trump and his allies

By SCOTT PATTERSON
AND SADIE GURMAN

WASHINGTON—With the publication late Thursday of the House's Jan. 6 select committee's final report and the panel disbanding, the spotlight returns to the Justice Department and its efforts to investigate and potentially prosecute allies of Donald Trump and the former president himself.

Federal prosecutors' separate sprawling probe is covering similar ground and, senior department officials say, is unlikely to be directly influenced by the report or other actions on Capitol Hill. But the 845-page document could provide a road map for aspects of the probe, including into Trump allies' efforts to undo the 2020 results by sending false electoral certificates to Congress and the National Archives.

That is one area of interest for Jack Smith, the special counsel named last month to head the investigation. In his first weeks on the job, he sent subpoenas to local officials in several battleground states, including Arizona, Michigan, Pennsylvania, Wisconsin, seeking communication between

election officials and Mr. Trump, his campaign and a broad group of his allies.

Separately, a prosecutor in Atlanta is investigating Mr. Trump's efforts to overturn the presidential election results in that state. Fulton County District Attorney Fani Willis convened a special grand jury, which is expected to release a report making recommendations on whether and against whom criminal charges are appropriate. Mr. Smith, the federal prosecutor, also sent a subpoena to Georgia Secretary of State Brad Raffensperger, who resisted efforts by Mr. Trump to reopen the state's election results and isn't a target of the probe.

The Justice Department had no comment on the release of the report or what, if anything, prosecutors would do with the information. The Justice Department already knows much of what the committee has found. Attorney General Merrick Garland said prosecutors watched each of the widely televised hearings put on by the committee, and they have interviewed many of the same witnesses. The Justice Department is now also in receipt of transcripts of interviews the committee conducted.

The fake electors pledged to Mr. Trump were also an area of focus for the Jan. 6 committee, which sent the Justice Department a criminal referral related

to the effort, which it said was a violation of statutes that make it a crime to willfully make a false statement to the government and to commit an offense against the United States. The committee's report spells out in detail how the plan originated and was adopted by senior officials at the White House and Mr. Trump himself.

In his Jan. 6 speech at the Ellipse, Mr. Trump demanded "Congress do the right thing and only count the electors who have been lawfully slated." The remark was "the culmination of a carefully planned scheme many weeks in the making," the report said.

A full chapter of the report is dedicated to the so-called fake elector plot, which the committee said was central to a plan to have Vice President Mike Pence object to the counting of the Electoral College. Self-described electors in seven states that Mr. Trump lost met on Dec. 14, when certified electors were also meeting, and cast their votes for the then-sitting president.

The plan was originally hatched by a legal adviser to Mr. Trump, Kenneth Chesebro, according to the committee's report. If a court, state legislature or Congress itself reversed election results in those states, the pro-Trump electors would be in place for the Jan. 6 vote on the transfer of power, Mr. Chesebro argued.



Fake electors pledged to Mr. Trump were an area of focus for the House select committee.

In early December, Mark Meadows, Mr. Trump's chief of staff, forwarded a copy of a Nov. 18, 2020, memo Mr. Chesebro wrote outlining his plan to Jason Miller, a senior advisor to the former president, according to the report. "Let's have a discussion about this tomorrow," Mr. Meadows wrote. In another email to Mr. Miller, Mr. Meadows wrote: "We just need to have someone coordinating the electors for states."

A lawyer for Mr. Chesebro didn't respond to a request to comment. A lawyer for Mr. Meadows declined to comment.

Mr. Chesebro also shared his plan with then-Trump lawyer Rudy Giuliani, noting in a Dec. 13, 2020, email that Mr. Pence, as president of the Senate on Jan. 6, could "firmly take the position that he, and he alone, is charged with the constitutional responsibility not just to open the votes, but to count them," according to the panel's report.

After Trump campaign officials backed away from pursuing the plan, with some worried about its legality, Mr. Giuliani pressed ahead with it, according to the report. Joshua Findlay, a Trump campaign official, told the committee that Mr. Trump "made it clear that Rudy was in charge of this and that Rudy was executing what he wanted."

Mr. Giuliani doesn't recall receiving the Dec. 13 email from Mr. Chesebro and doesn't have faith in conclusions made by the select committee in its report, according to his attorney, Robert Costello.

John Eastman, a constitutional law scholar who was advising Mr. Trump in the weeks following his election loss, joined Mr. Chesebro in arguing that Mr. Pence could take steps on Jan. 6 to delay or reverse the 2020 election results. Mr. Pence decided that he didn't have such powers.

The select committee, in addition to Mr. Trump, also

referred Mr. Eastman to the Justice Department for criminal charges. A lawyer representing Mr. Eastman earlier this week criticized the committee in a statement, saying it was "absurdly partisan" and designed to benefit Democrats.

Mr. Eastman in comments to reporters after the panel voted on the criminal referrals said he was merely conducting research into election laws and recommended that Mr. Pence delay counting Electoral College votes on Jan. 6 because of requests from state legislators.

Ms. Willis, the Democrat prosecutor in Atlanta, has said GOP officials involved in the fake elector plot are potential targets of her investigation. In court filings, the GOP officials have said they didn't break any laws and were attempting to preserve a pathway for Mr. Trump to be declared the winner in the state if he prevailed in legal challenges.

—Jan Wolfe
contributed to this article.

DOJ Puts Focus on Crypto Sector, Top Official Says

By ARUNA VISWANATHA
AND DAVE MICHAELS

WASHINGTON—A surge of Justice Department resources into cryptocurrency investigations more than a year ago helped prosecutors quickly charge FTX founder Sam Bankman-Fried and augurs a spate of aggressive enforcement ahead, according to the department's second-ranking official.

"You should expect more," Deputy Attorney General Lisa Monaco said in an interview Thursday with The Wall Street Journal about the agency's efforts to combat corporate crime. "Those investments are paying off in the prosecutorial firepower you are seeing."

Federal prosecutors in Manhattan charged Mr. Bankman-Fried with fraud and conspiracy last week; this week he was extradited to the U.S. from the Bahamas and released on a \$250 million bond. Authorities have obtained guilty pleas from two of Mr. Bankman-Fried's top lieuten-

ants, including Caroline Ellison, chief executive of Mr. Bankman-Fried's trading firm.

Critics of the U.S. government's approach to crypto say authorities have been too slow to rein in the free-wheeling industry. Exchanges such as FTX are hubs of the crypto market, consolidating under one roof functions that are handled separately in the capital markets by banks, brokerages and custodians. They hold traders' assets despite regulators' worries about loose internal controls, hacks and other customer threats.

FTX owes its 50 largest creditors, which it listed as customers, about \$3.1 billion, according to a bankruptcy court filing from November. There were about 2.7 million users on FTX's U.S. platform and more than 7.6 million users on its international exchange, although some users might have had multiple accounts, FTX's new chief executive, John J. Ray III, told House lawmakers last week.

The Justice Department



Deputy Attorney General Lisa Monaco said the Justice Department is building expertise across the 93 U.S. attorney's offices.

plays a prominent role in policing digital-asset markets because the products aren't supervised by any market regulator. Prosecutors are able to apply broad laws written to deter fraud and money laundering, as well as misconduct involving securities and commodities, to schemes involving digital assets.

The Manhattan U.S. attor-

ney's office has spearheaded the criminal case against Mr. Bankman-Fried and his closest associates, reprising the leading role it often takes in white-collar criminal cases involving financial markets.

But the Justice Department is building expertise across the 93 U.S. attorney's offices and is coordinating those efforts through a 25-member na-

tional cryptocurrency enforcement team, Ms. Monaco said. Two lawyers from the Securities and Exchange Commission, which has a dedicated crypto enforcement unit, are expected to be detailed to the team soon. "We saw the potential for the illicit use of the technology and, frankly, we saw the crypto season could eventually become the crypto winter," she said.

The Justice Department is also investigating Binance, the world's largest cryptocurrency exchange, the Journal has reported.

"We're watching the volatility in the market...and looking at the exploitation of this technology...however they may be used for illicit ends, whether it's ransomware, whether it's money laundering, whether it's misleading the investing public," Ms. Monaco said.

The Biden administration's Justice Department said this year it had overhauled its approach to financial and other corporate crimes in an attempt to bring more cases faster.

Those efforts in recent months have often touched on national security priorities.

Since Russia's invasion of Ukraine in February, for example, prosecutors have seized the yachts and planes of wealthy Russian businessmen allegedly close to the Kremlin, and charged aides who allegedly helped them move money through the U.S. financial system, in an effort to pressure Moscow to change course.

In October, prosecutors charged two Chinese intelligence officers who allegedly tried to bribe American law-enforcement officials for inside information about the investigation into Chinese telecom giant Huawei Technologies Co. Also that month, the French cement firm Lafarge SA agreed to more than \$750 million in penalties as it pleaded guilty to paying Islamic State and an al Qaeda affiliate to protect its Syrian cement plant, marking the first time prosecutors charged a company with supporting terrorist organizations.

Can your team do better... somewhere else

Those who execute on opportunities are called lucky (by those who don't)

SI Capital has opportunities for you to join us, or become a partner in a newly formed independent firm. You provide a talented team, ambition, and niche opportunities in financial services (investments, trading, raising capital, etc). We provide capital, regulatory (FINOPS, etc), class A office space (above Grand Central Station), IT, legal and more.

SI Capital is an investment/trading firm with 5+ billion dollars AUM owned by the founder of 5-hour ENERGY. We don't make decisions by committee. **We don't participate in ESG or other irrational fashions.** We don't "adjust" compensation plans on the fly. And we move fast. **No retirement age—we like people who know what they are doing.**

If you're really good at what you do, and really enjoy the work (but not the decision making process) this may be a good fit. If you enjoy the safety of bureaucracy... this may not fit.

If you're interested contact:

Chris Fowler
C: 248-826-4306
cfowler@SICapitalGroup.com

SI Capital
SICapitalGroup.com

Executives Admit Guilt Over FTX

Continued from Page One
in crypto derivatives and that most FTX customers did not expect that FTX would lend out their digital asset holdings and fiat currency deposits to Alameda in this fashion," she said.

Ms. Ellison also said she and Mr. Bankman-Fried worked with others to conceal the arrangement from lenders, including by hiding on quarterly balance sheets the extent of Alameda's borrowing and the billions of dollars in loans that the firm had made to FTX executives and associates. Mr. Bankman-Fried was among the executives who received loans from Alameda, she said.

Under questioning from the judge, Ms. Ellison said she knew what she was doing was illegal.

She said that since FTX's implosion, she has worked hard to assist in the recovery of customers' assets and aid the government's investigation.

At the hearing, U.S. District Judge Ronnie Abrams granted the request of federal prosecutors to temporarily seal all documents connected to Ms. Ellison's plea agreement. At the time, Mr. Bankman-Fried



FTX founder Sam Bankman-Fried leaving after his arraignment in New York on Thursday.

was in a jail in the Bahamas after the Justice Department requested local police arrest him, and he had not yet formally consented to his transfer to U.S. custody.

"We're still expecting extradition soon, but given that he has not yet entered his consent, we think it could potentially thwart our law enforcement objectives to extradite him if Ms. Ellison's cooperation were disclosed at this time," Assistant U.S. Attorney Danielle Sassoon told Judge Abrams.

A lawyer for Ms. Ellison declined to comment. Ms. Ellison was ordered released on \$250,000 bond at her plea hearing. A spokesman for the

U.S. attorney's office in Manhattan declined to comment.

Mr. Wang pleaded guilty in front of the same judge. He told Judge Abrams he knew what he was doing was illegal and wrong. "As part of my employment at FTX, I was directed to and agreed to make certain changes to the platform's code," he said, adding that he executed the changes knowing they would give Alameda Research special privileges on the FTX platform.

A lawyer for Mr. Wang declined to comment. He has previously said that Mr. Wang takes his responsibilities as a cooperating witness seriously. The Justice Department

charged Mr. Bankman-Fried earlier this month with eight counts of fraud and conspiracy connected to the implosion of his company. He was released from custody on a \$250 million bond on Thursday after making his first court appearance in New York following his extradition from the Bahamas. A federal magistrate judge set strict restrictions on Mr. Bankman-Fried, including ordering him to stay in his parents' Palo Alto, Calif., home and be under electronic monitoring.

Mr. Bankman-Fried has said he made mistakes that contributed to FTX's demise, but he has denied engaging in fraud.

WORLD NEWS

Paris Shooting Leaves at Least 3 Dead

Kurdish cultural center is among the sites hit in what Macron calls an 'odious attack'

By NOEMIE BISSERBE
AND SAM SCHECHNER

PARIS—Three people were killed and three injured after a gunman opened fire in and around a Kurdish cultural center in the heart of the French capital, officials said, putting the city on edge two days before Christmas.

A 69-year-old male suspect, who officials said had previously been accused of anti-immigrant violence, was detained by police and taken to a hospital following the shooting, the officials said. The suspect is being held on suspicion of murder, voluntary manslaughter and aggravated assault, they added.

Friday's shooting took place in a busy neighborhood in the 10th arrondissement of the French capital, popular for its bars and restaurants.

The attacker opened fire in a Kurdish cultural center, a

restaurant across the street and a hair salon nearby, Alexandra Cordebar, mayor of the 10th arrondissement, said on French television. The victims included two men and one woman.

"The Kurds of France were the target of an odious attack in the heart of Paris," French President Emmanuel Macron wrote on Twitter.

French Interior Minister Gérald Darmanin said the suspect, a French national, wasn't on any terrorism watch list.

"He obviously wanted to attack foreigners," Mr. Darmanin said, adding that it wasn't clear whether the attacker specifically targeted Kurdish people. Still, Mr. Darmanin said police officers were being deployed across the country to protect places where the Kurdish community gathers.

On Friday afternoon, tensions erupted between police and Kurdish protesters gathered near the cultural center where the attack took place. Police fired tear gas at the protesters, who threw stones and street furniture.

The attack on Friday took place nearly 10 years after



Tensions erupted Friday in Paris between police and Kurdish protesters near the cultural center.

three Kurdish women in Paris were shot in what officials said looked like a targeted assassination. Sakine Cansiz, a founding member of the militant Kurdistan Workers' Party; Fidan Dogan, a representative of the Brussels-based Kurdish National Congress; and a

guest, Leyla Soylemez, were killed in January 2013.

The suspect in Friday's attack had been accused last December of attacking a migrant camp in a Paris park, wounding two people with a saber, and was released earlier this month from custody while an

investigation continues, authorities said. Migrants at that camp, located in the southeast of Paris, were mainly from Sudan, they added. He also received a six-month suspended prison sentence in 2017 for illegal possession of weapons, prosecutors said.

Racist, antisemitic and anti-immigrant attacks have hit Europe several times in recent years. In 2020, a man killed multiple people in a string of shootings that began at a hookah bar in Hanau, Germany.

A year earlier, officials said an extremist who killed two people at a synagogue in eastern Germany had been planning a far bigger massacre.

In 2017, a man drove a van into a crowd of worshippers outside a mosque in North London, something officials described as a terrorist attack.

The timing of Friday's attack, in the run-up to Christmas, initially recalled the December 2018 terrorist attack on a Christmas market in Strasbourg, France, where a suspected Islamist radical killed multiple people. The suspect in that attack was killed two days later after he opened fire on police.

France at the time had been the subject of repeated Islamist attacks, including the Nov. 13, 2015, massacre that killed some 130 people across Paris and the 2016 Bastille Day attack in Nice that killed 86 people.

Strikes in France and U.K. Threaten Holiday Travel

By PAUL HANNON
AND BENJAMIN KATZ

The U.K. and France braced for disruptions to holiday travel, as British border-control personnel went on strike and French rail workers walked off the job.

Border-control agents in the U.K. kicked off more than a week of cost-of-living protests amid soaring inflation and the worst U.K. industrial disputes in a decade.

Meanwhile, in France, train conductors began a strike on Friday demanding higher wages, in a move that threatened to leave tens of thou-

sands of Christmas travelers stranded. National railway SNCF said it had to cancel two out of every five fast trains this weekend, forcing 200,000 passengers to change their plans. The strike continues through Monday.

As British border-control agents walked off the job Friday, the country's nursing union also set new dates for industrial action in January, as 2023 looks increasingly likely to see a continuation of the economic and political turmoil that has roiled the nation this year.

About 1,000 passport control officers were taking strike

action across six U.K. airports between Friday and Monday and intend to do so again between Dec. 28 to Dec. 31 in demands over wages.

The airport turmoil is the latest strike action to affect Britain. Nurses went on strike for the first time ever last week, and the Royal College of Nurses on Friday said its members will strike again on Jan. 18 and Jan. 19.

"Once again, we offered talks," the RCN said in a statement. "Once again ministers refused to get round the table. Once again, nursing staff are left with no choice."

Postal workers, ambulance

paramedics, driving instructors and train operators are among those who have or will walk out on the job this week, arguing that pay rises haven't come near to matching the 10.7% inflation rate.

The British strikes are the latest in protests and industrial action in a number of European countries this year, as higher prices, particularly for energy, cut into consumers' income. Europe is suffering from the fallout of the war in Ukraine and the decision by Russia to largely cut off the supply of cheap gas to the continent.

In recent months, French

teachers, railway and health workers have taken to the streets in dozens of cities across the country, in a sign of the political turmoil facing President Emmanuel Macron. Mr. Macron's plan to raise the country's retirement age has also angered opposition lawmakers and unions.

On Friday, French rail unions agreed to withdraw their strike notice for the weekend over the New Year after SNCF pledged to increase salaries and hire new employees.

Officials at Heathrow Airport on Friday said there had been no flight cancellations as a result of the strike, nor were

there long lines at passport checkpoints.

In preparation for the strike, the government had asked Heathrow to suppress demand from passengers flying into the hub. Heathrow reached an agreement last week with airlines including British Airways and Virgin Atlantic Airways Ltd. to halt ticket sales on most inbound flights on the strike days to try to ease pressure at border control.

However, the head of the union representing passport control workers said it was prepared for further strikes over "many, many months."

Chinese Pharmacies Report Shortages Amid Covid Rise

By DAN STRUMPF

BEIJING—Pharmacies across China reported shortages of ibuprofen, paracetamol and other fever medication as the country struggles to cope with a surge of Covid-19 cases, weeks after Beijing abandoned its three-year effort to contain the fast-spreading virus.

Officials in Beijing deny that there is a shortage of drugs or medical equipment and have brushed aside offers of help from the U.S. to supply vaccines and other medical goods.

Despite the government reassurances and only a negligible increase in officially reported Covid-19 cases and deaths, anecdotal evidence paints a different picture: crematoriums running at full tilt, hospitals strained and pharmacy shelves cleaned out. The drug shortages in China have rippled out to Singapore and Hong Kong, where worried relatives have rushed to send medicines back home.

The absence of data makes it hard to verify the scale or extent of infections now sweeping through China. The government says fewer than 3,000 new cases of Covid-19 have been recorded nationwide on average for the past five days, a number that most health experts say is far short of what their models predict. Chinese health officials said this week that their definition of Covid-related deaths excludes patients with an underlying condition.

China has bristled at suggestions it has obscured the number of cases. On Thursday, the World Health Organization's emergencies director, Mike Ryan, said Chinese officials appeared to be struggling to provide an accurate account of events on the ground, citing the discrepancy between the official claim of a low number of cases in intensive-care units and anecdotal evidence that those wards are filling up. There were 416 patients classified as severe cases nationwide on Thursday, official data show.



Health workers carry a person to the hospital, in Shanghai amid a surge of Covid cases after China abandoned tight restrictions.

Antony Blinken, the U.S. secretary of state, in a phone call with Chinese Foreign Minister Wang Yi on Friday, discussed the coronavirus pandemic and "underscored the importance of transparency for the international community," according to a statement from the State Department. The Chinese readout didn't mention Covid.

The Wall Street Journal made phone calls to pharmacies in nine provinces and provincial-level regions—Shanghai, Fujian, Hubei, Sichuan, Qinghai, Guangdong, Guangxi, Anhui and Zhejiang. Pharmacists all said that they were short of fever medicine and cold remedies.

One doctor surnamed Zhang, who works at a public hospital in Ningling County in the central Chinese province of Henan, said the hospital is selling fever medication only to patients at its fever clinic. Dr. Zhang said that local authorities were concerned about hoarding and price gouging, adding that even hospitals' own stockpiles were less than adequate.

"It's a chaotic situation on the open market," he said. "The problem right now is that many people are buying up medicine they don't need out of fear, which causes the shortage. Those who really need the medicine cannot get them."

Shanghai resident Chris Mei said he has noticed a marked shortage in drugs such as ibuprofen. Mr. Mei said he was just getting over a case of Covid himself and was able to recover rapidly thanks to Paxlovid antiviral drugs he had bought during a recent trip to the U.S.

Mr. Mei said the spreading outbreak has also been felt at the small plastic-components factory and trading business he helps operate, where around a fourth of his workers are out sick. He said the absence of guidelines from authorities concerning the spread of Covid or what to do about sick employees is a contrast with earlier in the year. "It's basically workplace to workplace on what the regulations are if you're positive," he said. "It's basically every company for itself."

The scramble for medicines and antigen testing kits has extended to the overseas Chinese diaspora.

In Singapore's Chinatown, dozens of people queued at three courier companies. Two popular Chinese shipping services, SF Express and Anjie International Express, each said it would take at least a week for the parcels to arrive in China due to surging demand.

—Qianwei Zhang and Raffaele Huang contributed to this article.

ENTER OBERON
MONTAGUE DAWSON

Masterful artist. Quintessential subject. Maritime glory.



Montague Dawson, the most important maritime painter of his generation, possessed an incomparable talent for rendering ships at sea with unparalleled energy and vitality. This original oil on canvas, entitled *In the Trough of the Waves, the Clipper Oberon*, perfectly realizes the British clipper ship's grace, enhanced by the artist's mastery over composition. Taking her name from Shakespeare's *A Midsummer Night's Dream*, the powerful ship facilitated the Chinese tea trade, running routes to Australia and New Zealand. Early 20th century. Signed (lower left). Canvas: 28 1/8" h x 42" w. Frame: 34 5/8" h x 48 3/4" w. #31-6081

M.S. Rau
FINE ART • ANTIQUES • JEWELS

622 Royal Street, New Orleans, LA • 888-767-9190 • ws@rauantiques.com • msrau.com

Since 1912, M.S. Rau has specialized in the world's finest art, antiques and jewelry. Backed by our unprecedented 125% Guarantee, we stand behind each and every piece.

WORLD NEWS



The USS Preble conducting an operational Tomahawk missile launch in a training area off the coast of California.

Tokyo Earmarks Billions For U.S. Tomahawk Missiles

By ALASTAIR GALE AND CHIEKO TSUNEOKA

TOKYO—Japan earmarked more than \$2 billion to buy and deploy U.S. Tomahawk missiles on its naval destroyers, enough for several hundred of the weapons as it seeks to deter China and North Korea.

The spending is part of a record defense budget approved by the cabinet Friday, equivalent to \$51.4 billion for the fiscal year starting in April. Tokyo last week signaled one of its biggest military buildups since the end of World War II with plans to nearly double defense spending over the next five years.

About a half-hour before the Tokyo cabinet meeting, North Korea fired two missiles in the direction of Japan, South Korean and Japanese officials said. It was the latest of dozens of missile tests by Pyongyang this year.

Around \$10.6 billion has been allocated in Japan's latest budget for developing the

ability to hit military facilities in enemy countries with missiles if an attack appears imminent, a shift in strategy intended to make neighboring countries think twice about starting an offensive.

Defense Minister Yasukazu Hamada said Japan could carry out a counteroffensive before it was struck by any missiles or other weapons, so long as it concluded that an enemy had an attack in the works. Some opposition lawmakers have said this creates a risk of Japan inadvertently becoming the aggressor in a war if it mistakenly assesses an enemy's intentions.

China fired missiles into the sea near some of Japan's southern islands in August as part of a show of military force around Taiwan. In October, North Korea shot a missile over Japan.

The budget calls for \$1.6 billion to buy Tomahawk missiles and \$832 million for technical work and training to ensure Japan's Aegis destroyers can launch them. Deployment of

the missiles is expected to begin after spring 2026, the Defense Ministry said.

The ministry said it would negotiate with the U.S. over the price for the missiles, which typically cost the U.S. military around \$1.7 million each. It declined to specify how many missiles it hoped to buy.

The Pentagon declined to comment, as did Tomahawk manufacturer Raytheon Technologies Corp.

The U.S. has a stockpile of around 4,000 of the missiles, which were used extensively in Iraq, Syria and Libya, with an estimated 100 consumed each year for training and testing.

The U.K. is now the only export customer for Tomahawks. Australia has expressed interest in procuring missiles that could be adapted to be launched from its existing submarine fleet, though not until the latter part of the decade.

The Tomahawk acquisitions are part of some \$38 billion Japan plans to spend over the next five years on the deployment of missiles that can strike

an enemy target from far away.

Tokyo plans to extend the range of an existing homegrown surface-to-ship missile known as Type 12 so it can reach other countries. Those modified missiles aren't expected to be ready until spring 2026 or later.

Mr. Hamada, the defense minister, said Japan wanted to have an already established missile such as the Tomahawk in the pipeline in case its homegrown-missile plans were delayed. "In the development stage, you never know what's going to happen," he said.

Japan is also buying aircraft-launched missiles from Norway and the U.S. Deployment of the Norwegian missiles was expected to begin this year but has been pushed back because of a delay in the delivery of components produced by the U.S. The Joint Air-to-Surface Standoff Missile, made by Lockheed Martin Corp., is scheduled to begin deployment in Japan in the year beginning April 2027.

—Doug Cameron in Chicago contributed to this article.

Japan's Inflation Hits A Four-Decade High

By MEGUMI FUJIKAWA

TOKYO—Japan's core inflation rose at the fastest pace in nearly 41 years in November, fueling market speculation that the Bank of Japan would look to tighten monetary policy in 2023.

After the central bank's surprise move Tuesday to raise its cap on a key interest rate, market watchers are split over whether more is coming next year. But they agree inflation will be a key factor in the decision.

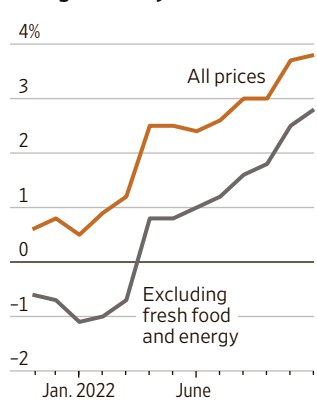
Core consumer prices—a measure that covers all prices except fresh food—rose 3.7% from a year earlier in November, the fastest pace since December 1981, government data showed Friday.

Beneath the headline figure are other signs that Japan has broken out of its decadeslong rut of near-zero price changes. If so, that would give the Bank of Japan more room to consider fully unwinding the easing framework that Gov. Haruhiko Kuroda has built up after nearly a decade on the job.

Mr. Kuroda's policies include negative short-term rates and a cap on the yield of the 10-year government bond. On Tuesday, the bank raised that cap to 0.5% from 0.25%, driving up interest rates across the board.

Daiwa Securities economist Mari Iwashita said the framework could be up for review as soon as next summer under a

Japan consumer prices, change from a year earlier



Source: Japan Statistics Bureau

new BOJ governor. Mr. Kuroda's term expires in April, after two more policy meetings, and he is expected to step down.

"A virtuous cycle is starting to work with the price trend rising moderately," Ms. Iwashita said.

She cautioned that the central bank would want to confirm first that wages were rising solidly in spring labor negotiations in Japan and that the U.S. economy wasn't in deep trouble.

The Federal Reserve and the European Central Bank have raised rates aggressively this year, which pushed the dollar up against the yen and put pressure on the Bank of Japan to follow suit.

In a sign of growth in underlying inflation, Japan's consumer prices excluding fresh food and energy prices rose 2.8% from a year earlier in November, well above the BOJ's 2% target. That suggests inflation isn't driven mainly by higher prices for imported oil and natural gas.

Some policy makers see a change in Japan's decadeslong deflationary mind-set, which has made consumers hesitant to spend when prices rise and in turn made it difficult for companies to adjust their price tags.

Nissin Foods Holdings Co., known for its instant noodles, said last week that its frozen-food unit planned to raise its frozen noodle prices by as much as 20% in March 2023—owing to higher costs of raw materials and the weak yen—following a price increase in March of this year.

Some are skeptical that Japan's inflation picture has really changed—including the central bank itself. Its policy board expects the core inflation measure to fall to 1.6% in the fiscal year starting April 2023 because the prices of oil and some other commodities have stopped rising.

Mr. Kuroda denied that his policy shift on Tuesday signaled the start of a tightening binge or reflected any concern about inflation staying above his 2% target.

WORLD WATCH

ISRAEL

Police Kill Assailant After Car Ramming

Israeli police on Friday shot dead an Arab assailant who they said lured officers into an ambush in which he rammed them with his car after trying to shoot them, an attack that left three police officers wounded.

The incident took place in the Arab Israeli town of Kfar Qassem, an unusual site for what police suspected was a "nationalistic" militant attack.

Israeli police identified the attacker as 22-year-old Naim Badir. Police alleged that Mr. Badir called officers to his house. When police arrived, they said they were greeted with stones and alcohol bottles hurled from the house. Mr. Badir then rushed out with a gun drawn, according to the police account and security footage. A police spokesman said Mr. Badir tried to shoot but the gun didn't fire.

Moments later, security foot-

age shows Mr. Badir speeding in reverse down the street toward where officers were stationed.

His car crashed into another, lightly wounding three officers. Police opened fire, killing Mr. Badir, according to Israel's Magen David Adom emergency service.

—Associated Press

ROMANIA

Bus Crash Kills One, Injures More Than 20

A bus carrying 47 Greek passengers crashed into a height-restriction barrier in Romania's capital of Bucharest on Friday leaving one person dead and more than 20 injured, authorities said.

The incident occurred in central Bucharest at around 1:30 p.m., authorities said. Raed Arafat, the head of Romania's Department for Emergency Situations, told reporters that 22 of the passengers were transported to local hospitals.

—Associated Press

GERMANY

Man Gets 14 Years In Train Knife Attack

A German court convicted a man of attempted murder and bodily harm and sentenced him to 14 years in prison on Friday over a knife attack on a train last year that left four people wounded. Judges found that he had an Islamic extremist motive.

The 28-year-old Palestinian man who grew up in Syria, identified only as Abdalrahman A. was convicted at the Munich state court.

German news agency dpa reported that prosecutors, who argued that there was an Islamic extremist motive, had called for a life sentence while defense lawyers argued that their client was a paranoid schizophrenic who couldn't be held criminally liable.

The attack took place on an ICE high-speed train traveling from Passau to Hamburg on Nov. 6, 2021.

—Associated Press



PICK-ME-UP: A father and daughter took in a Christmas-decorated street Friday in Kolkata.

FROM PAGE ONE

Parents Splurge on Dating Aid

Continued from Page One

to the course, mostly because she didn't want to waste her mom's money.

Dating coaches say pandemic lockdowns and their long aftermath have raised parent worries that their grown children will stay single forever. That has led to a surge of interest from mothers and fathers splurging on dating-app subscriptions, relationship classes and sessions with dating experts for their children, said relationship psychologist and dating coach Christie Kederian.

"Know if someone is the one for you in 5 dates!" ac-

cording to an online advertisement for Dr. Kederian's services. She consulted with Ms. Kaku and her advice was, first, to talk with her mother about maintaining personal boundaries, and, second, be more open-minded about potential partners.

A few months later, Ms. Kaku decided to take a chance on a Bumble profile she had previously passed over. It turned out to be a great match. Nobody is happier about the pair's coming wedding than Ms. Kaku's mother, who said she told her daughter, "See, it was totally worth the money."

About a third of daters lean on their families for relationship advice, according to a survey of 5,000 adults conducted by dating company Match. Still, Stef Safran, a dating coach and matchmaker in Chicago, cautioned that parents need to let the dater take the lead. "Ultimately I work

for the kids," Ms. Safran said.

Match, the dating app company, got an email from Kamille Johnson that, on its face, seems to run counter to Dr. Kederian's advice about keeping boundaries between parents and their grown children. "Hello, Match! My beautiful

In the pandemic, parents worried their grown children would stay single.

daughter and this handsome young man will be married on December 30, 2022, in Cincinnati and, with your help, I am responsible for setting them up," said the note from Ms. Johnson, a 59-year-old healthcare marketer in Evansville, Ind.

Her daughter, Olivia Vowels

Dixon, moved to Cincinnati just before the pandemic and had trouble finding compatible romantic prospects. She was hesitant about getting on a dating app, so Ms. Johnson set up a profile on her daughter's behalf.

Every few days, Ms. Johnson would sift through profiles—"online-shopping," she said—then send her daughter a few favorites. Ms. Johnson would photoshop Ms. Vowels Dixon's head next to the images of potential suitors.

Ms. Johnson said she didn't impersonate her daughter or communicate with anyone on the app. "I wasn't being weird," she said. "I knew where the weird line was, and I wasn't going to cross it."

At first, Ms. Vowels Dixon said she rolled her eyes and laughed. "I can't," she recalled telling her mother. She eventually took control of her own dating account—with a \$150 6-month premium member-

ship paid for by her mother—and found a match with her now-fiancé, Myron Dixon. Mr. Dixon thinks the back story to their romance is hilarious.

"Some people have financial advisers. Kamille is my life adviser," he said, deferring to Ms. Johnson's opinions because she led him to his partner.

The pair asked Ms. Johnson to officiate their wedding, in recognition of her role in bringing them together.

Dating had long been a sore point between Jane Shomberg and her daughter Mindy Shomberg. Ms. Shomberg, the mother, worried her daughter, a 38-year-old recruiter for a New York City staffing agency, would get angry if she intervened. Driven by a maternal instinct, Ms. Shomberg slipped a business card for Megan Weks, a dating coach who calls herself the "Manfunnel," into her daughter's wallet.

Ms. Shomberg hoped get-

ting a professional involved would allow herself to take a back seat in the matter and restore peace in the Shomberg household. After some deep thinking, Mindy Shomberg said she could see she was stuck doing the same thing over and over and expecting different results. "And that's what they call insanity," she said, softening to the idea.

Ms. Weks charged more than \$1,000 for her dating course, and Mindy Shomberg knew she couldn't afford it.

"My parents were like, 'Do you want it to be your birthday and Hanukkah present from now until eternity?'" she said.

Her mother was more than willing to help. "It's like getting help for anything. If you need a tutor for math, that's what it is," she said. "We love our children. We would do anything, anything that they need."

"So if you know anybody..."

OBITUARIES

ARNOLD FULTON
1931 — 2022

Holocaust Survivor Designed Umbrellas

By JAMES R. HAGERTY

Arnold Fulton, a native of Poland who narrowly escaped the Holocaust and settled in Britain after World War II, became one of the most prominent and innovative makers of umbrellas in his adopted homeland.

In a notoriously rainy country, demand was reliable. With a background in mechanical engineering, Mr. Fulton designed his own manufacturing equipment and frequently came up with innovations, including an umbrella built for two and the see-through Birdcage umbrella. Millions of umbrellas made by his A. Fulton Co. blossomed every time it poured in Britain and Canada, the company's two biggest markets.

The broly baron offered all sorts of colors and even leopard-print models. His hope was that fashionable people would start feeling obliged to buy an umbrella to match each new outfit.

Mr. Fulton died in London on Oct. 6 at the age of 91. His death wasn't widely reported at the time. Few of his customers knew of his terrifying childhood, recounted in a privately published memoir.

He was born into a Jewish family as Arnold Frucht on July 17, 1931, in Częstochowa, Poland. His father, a tailor, was an Anglophile who introduced his son to Charles Dickens and other British authors. After the German invasion of Poland in September 1939, the family was confined to a Jewish ghetto.

Arnold and his sister, Sonja, eventually were smuggled out of the ghetto and stayed in a variety of hiding places in Warsaw. Arnold concealed himself for a time in a prostitute's room and later found refuge in a Roman Catholic monastery. His mother and father died while trying to escape.

A British rabbi, Solomon Schonfeld, arranged for Arnold and many other Jewish orphans to emigrate to England. The

young man arrived in London in April 1946, attended high school in London and then studied mechanical engineering.

A German-sounding name wasn't ideal in postwar Britain, so he changed his last name to Fulton. He found work at a machine-tool company and designed machinery. He envisioned a one-seat vehicle that would be a combination car, boat and helicopter.

In the mid-1950s, he visited Sweden, where his sister's husband manufactured umbrellas. When he returned to London, Mr. Fulton set up his own umbrella-making company in the East End.

The Selfridges department store initially refused to stock his um-

One of the innovations Mr. Fulton came up with was the see-through Birdcage umbrella.

brellas. After repeated visits to a buyer there, Mr. Fulton finally won a trial order for two dozen. On the day they went on display, it rained, all of the umbrellas sold, and Mr. Fulton had secured a prestigious showcase for his wares.

The company, which estimates that its sales account for 30% of the British umbrella market, is now run by one of his sons, Nigel Fulton. It makes most of its umbrellas in China.

Arnold Fulton is survived by three children and five grandchildren. His wife, Colette Lodner Fulton, died in 2006.

"I hold no grudge against the German people," he wrote in his memoir. He had learned not to generalize about nationalities.

Nor was he excessively proud of his later success. "I wouldn't say I was the best businessman in the world," he told London's Evening Standard in 2002. "I seem to have just been very lucky."

EDWARD AVEDISIAN
1937 — 2022

Stock-Picking Clarinetist Gave Away a Fortune

By JAMES R. HAGERTY

After a career as a clarinetist for the Boston Pops Esplanade Orchestra and other ensembles around the world, Edward Avedisian became famous in September for something else: donating \$100 million to Boston University's medical school.

Many people wondered how a man with no trust fund and only a middle-class income could afford such a large gift, plus others totaling at least \$25 million more.

For starters, he was single until age 57, never had children and lived much of his adult life in a modest Boston apartment.

He also invested for several decades in the stock market, starting in the early 1980s, the dawn of a long-term boom. He favored technology stocks, including Microsoft Corp. and Lotus Development Corp., in the 1980s. He studied prospectuses and often bought stock in initial public offerings. To maximize his IPO allocations, he had as many as a dozen brokerage accounts.

Through booms and busts, he stuck with winners. "I didn't go for the in and out," he told the Boston Globe in October.

At times, Mr. Avedisian took calculated risks that most amateur investors avoid, such as borrowing money to increase his investments and betting with stock options. "If I did it all over again," he said, "I would probably lose my shirt—and my shoes and socks."

Mr. Avedisian, who made other large gifts to educational and medical causes in the U.S. and Armenia, died Dec. 7. He was 85 and had an interstitial lung disease.

His gift to Boston University's medical school supports scholarships, endowed faculty chairs and research. The gift, he told MarketWatch, was a way "to help kids be doctors, especially GPs, where there's a huge shortage. All these



kids have way too much debt anyway."

He also founded a K-12 school in a rundown neighborhood of Yerevan, the capital of Armenia. In addition, he made major gifts to the University of Rhode Island's College of Pharmacy, a nursing program at Rhode Island College and the National Association for Armenian Studies and Research.

His travels as a musician created time to study financial reports. On his bookshelf at home were books including "24 Essential Lessons for Investment Success," by William J. O'Neil, "The Warren Buffett Way," by Robert G. Hagstrom and "Take on the Street," by Arthur Levitt.

Reading securities filings was a must, he said in the MarketWatch interview: "You find out what the company's doing, who's running it, and especially who wants in and who wants out. I never liked companies where [inside] shareholders were selling. You want my money, but you're heading for the hills?"

Edward Avedisian was born June 23, 1937, and grew up in Pawtucket, R.I. He was the third of four children born to Armenian im-

migrants. His mother, Shooshanig Ingilizian Avedisian, worked in a fabric mill and eventually became a bookkeeper. His father, Koren Avedisian, was a weaver in textile mills and later had a factory job at American Screw Co. in Providence, R.I.

Despite their modest income, "they were always doing something for somebody else," Mr. Avedisian recalled in a video interview.

Young Edward worked at a hardware store as a teenager and took up the clarinet after tootling with one owned by his brother Paramaz. By the time he was a senior in high school, he was teaching younger students to play the clarinet and promising to take them to Red Sox games if they applied themselves.

He won a scholarship to attend Boston University, where he earned bachelor's and master's degrees in music.

As a young musician on national tours, he sometimes shared hotel rooms with two or three others. Later in his career he played with stars ranging from Luciano Pavarotti to the rock band Aerosmith. He also played for the Boston Ballet Orchestra.

He met Pamela Wood in the 1970s when he was leading a choral group at Endicott College and she became the accompanist on piano. They later began dating and in 1987 drove from Boston to Seattle in his 1929 Model A Ford. They built a home in Lexington, Mass., and married in 1994. She survives him, as do a sister, a brother and nieces and nephews.

Mr. Avedisian gave much of the credit for his success to his parents. "Our parents told us, 'Hey, get an education,'" he told the Globe. "So that was the call, and this was our response. They're the heroes, not us."

◆ Read in-depth profiles at [WSJ.com/news/types/obituaries](https://www.wsj.com/news/types/obituaries)

WORLD NEWS

Moscow Threatens to Cut Oil Output As a Response to Western Sanctions

MOSCOW—Moscow threatened to cut oil output in response to Western price caps, setting the stage for an escalation of the energy war that has run parallel to the conflict in Ukraine.

By Evan Gershkovich,
Joe Wallace
and Andrew Duehren

Speaking on state television on Friday, Russian Deputy Prime Minister Alexander Novak detailed for the first time Moscow's possible response to the Western price caps, instituted earlier this month. Mr. Novak said Russia could reduce its production by 500,000 to 700,000 barrels a day—which he described as a 5% to 7% reduction in capacity—by early next year.

The comments come ahead of an expected announcement from Russian President Vladimir Putin early next week, when he has said he would sign a decree on Moscow's response.

"That's basically the first pop that we've heard that the Russians are willing to scale back production if you're going to force them to eat the price cap," said Bob Yawger, executive director for energy futures at Mizuho Securities USA.

Mr. Yawger said it was possible that Russian officials had mooted output cuts to push prices higher without intending to follow through. "But on a broader scale, it's just the threat that they're going to take barrels off the market: there's concern around the energy space about that," he added.

On Thursday, Mr. Putin said he doesn't see any potential losses for the Russian oil and gas sector from Europe's price cap.

"There is no visible damage to the Russian economy, to the Russian fuel and energy complex," he told a press conference. "There are no losses from this ceiling."



An oil platform operated by Lukoil is shown in the Baltic Sea last year.

The European Union and the U.K. earlier this month banned the import of seaborne Russian crude, while the Group of Seven nations put a ceiling on other sales by barring Western companies from insuring, financing or shipping Russian crude at above \$60 a barrel. The measures aimed to strike at the Kremlin's war chest while still keeping Russian supply available on global markets.

Western countries are planning to take the same steps on Russian petroleum products like diesel in February, with the EU set to stop buying Russian products and the G-7 moving to cap the price of the exports.

Helge André Martinsen, senior energy analyst at Norway's DNB Markets, said the EU's embargo on Moscow's oil, the price cap and associated restrictions on Russian oil would push output lower next year. "The threat of a production cut is likely just Russia realizing production will decline in [the first half of] 2023 due to the tightening sanctions," he said in a note.

Some evidence has emerged that the December sanctions have already taken some Russian oil off the market—precisely what the U.S. aimed to avoid with the price cap. Russia has exported about 2.7 million barrels of its crude each day by sea in December so far, according to commodities-data firm Kpler. That is down 17% on the average for the first 11 months of the year.

Some Western traders, banks and tanker companies say they are cautious about facilitating Russian oil shipments even within the price cap, in part because of the perceived sanctions risk. Traders say Chinese state-owned refiners also appear to be reticent about buying the oil, leaving some cargoes of Espo crude exported from the eastern port of Kozmino unsold.

"Everyone is facing huge uncertainty," Tatiana Mitrova, a research fellow at Columbia University's Center on Global Energy Policy. "For the shippers and insurance companies it is still not completely clear how strictly this mechanism

will be applied so they prefer to secure themselves and not deal with Russia at all."

India, on the other hand, has swooped in to buy much of the Ural's crude that the EU and U.K. banned earlier this month. Some analysts caution against reading too much into the drop in exports this month, citing factors such as maintenance at a major Baltic port and bad weather that has delayed some shipments.

Some shipments of Russian crude have sailed with Western services in compliance with the U.S.-led cap, according to people familiar with the shipments, as the price of Urals is well below the \$60 cap. U.S. officials pushed to set the cap at a high level to motivate Russia to keep exporting its crude.

Ms. Mitrova said she thought the sanctions could cause Russian production to drop by as much as 1 million barrels a day next year. U.S. officials have acknowledged that their plan could still cause a drop in Russian production but crafted their policy to try to avoid that.

Ms. Mitrova said she thought the sanctions could cause Russian production to drop by as much as 1 million barrels a day next year. U.S. officials have acknowledged that their plan could still cause a drop in Russian production but crafted their policy to try to avoid that.

Ms. Mitrova said she thought the sanctions could cause Russian production to drop by as much as 1 million barrels a day next year. U.S. officials have acknowledged that their plan could still cause a drop in Russian production but crafted their policy to try to avoid that.

Ms. Mitrova said she thought the sanctions could cause Russian production to drop by as much as 1 million barrels a day next year. U.S. officials have acknowledged that their plan could still cause a drop in Russian production but crafted their policy to try to avoid that.

Kyiv Claims Big Losses By Russia in the South

Ukraine's military said it was inflicting heavy losses on Russian forces in the south of the country in an area that military analysts suggest could be the next target for a Ukrainian offensive.

By James Marson
in Kyiv, Ukraine,
and Evan Gershkovich
in Moscow

The General Staff of the Ukrainian Armed Forces said that the losses had forced Russian troops to set up a field hospital at a hotel complex in the city of Berdyansk.

Ukrainian officials posted footage of what they said was a Ukrainian strike on a Russian headquarters in Tokmak, a Russian-occupied transport hub.

And the Ukrainian mayor of Melitopol, a Russian-occupied city, said a local police commander who was collaborating with the occupation administration was injured when the car he was traveling in exploded. Russian state news agency TASS reported on the car explosion but didn't identify the occupants of the vehicle. Partisans have carried out several attacks in the area that have targeted senior collaborators.

After recapturing swaths of territory around the northeastern city of Kharkiv and the southern city of Kherson, Ukrainian forces are seeking to maintain momentum. In recent weeks, they have carried out strikes on Russian military facilities and transport infrastructure in the south of the country, in what analysts say could be a preparatory phase for a thrust south toward the Black Sea. A Ukrainian advance there would cut critical lines of supply between Russia and Crimea, the Ukrainian peninsula that Russia has occupied since 2014.

Russia has begun taking defensive measures in Crimea, most recently starting engineering work on defensive positions along a highway that spans the top of the peninsula

where it meets mainland Ukraine.

Russia's Defense Ministry said Friday that Moscow's forces were continuing offensive operations in Bakhmut, eastern Ukraine, where Russia had funneled soldiers and fighters from the Wagner paramilitary group to make small advances over several months.

In Mariupol in eastern Ukraine, which Russia seized in May after weeks of brutal assaults, authorities have begun tearing down the remains of the city's performing-arts theater, according to videos posted by Ukrainian officials.

Ukrainian authorities say more than 300 civilians who were sheltering in the building were killed when it was hit in a Russian airstrike in March.

Meanwhile, Kremlin spokesman Dmitry Peskov told reporters Friday that Russian forces

A Ukrainian advance to the south would cut critical lines of supply.

had made significant progress toward Moscow's stated, but undefined, goal of demilitarizing Ukraine. He said that while any conflict ends at the negotiating table, there are currently no contacts between Washington and Moscow on how to end the war and that the Kremlin isn't in the loop on a reported Ukrainian peace plan.

During his whirlwind trip to Washington this past week, Ukrainian President Volodymyr Zelensky told Congress that Kyiv was developing a peace formula, following recent discussions by Ukrainian officials of a 10-point plan. Mr. Zelensky's team is currently fleshing out the plan and aims to present its ideas on or around the first anniversary of Russia's Feb. 24 invasion, according to European and Ukrainian diplomats.

FROM PAGE ONE

Putin's Allies Aim To Please

Continued from Page One

come to terms with what instead became a costly quagmire, and found himself isolated and distrustful at the pinnacle of a power structure designed to reinforce his belligerent worldview and shelter him from discouraging news.

Through the summer, delegations of military experts and arms manufacturers emerged from presidential meetings questioning whether Mr. Putin understood the reality on the battleground, according to people familiar with the situation. And while Mr. Putin has since then gone to lengths to get a clearer picture of the war, they say, the president remains surrounded by an administration that caters to his conviction that Russia will succeed, despite the mounting human and economic sacrifices.

"The people around Putin protect themselves," said Ekaterina Vinokurova, a member of his handpicked human-rights council until Mr. Putin removed her in November. "They have this deep belief that they shouldn't upset the president."

The resulting mistakes have shaped Russia's disastrous invasion of Ukraine—from the initial days, when Mr. Putin thought his soldiers would be met with flowers, to recent withdrawals in the northeast and south.

This article is based on interviews with current and former Russian officials and people close to the Kremlin who broadly described an isolated leader who was unable, or unwilling, to believe that Ukraine would successfully resist. The president, these people said, spent 22 years constructing a system to flatter him by withholding or sugarcoating discouraging data points.

U.S. officials said they have struggled to find a Kremlin insider who both has influence over Mr. Putin and also isn't wrapped up in his narrative of Russian grievance. The president increasingly speaks of Russia in near-religious terms, as a 1,000-year-old civilization waging a holy struggle that will right historical wrongs and elevate him into a pantheon of conquering czarist leaders such as Peter the Great.

Though contact between the U.S. and Russia occurs almost every day, whether through their embassies, the Pentagon or the CIA, those conversations have become constrained, said U.S. officials, who have found some of Mr. Putin's closest allies to be even more hard-line than the authoritarian leader himself.

Success stories

Mr. Putin wakes daily around 7 a.m. to a written briefing on the war, with information carefully calibrated to emphasize successes and play down setbacks, according to the former Russian intelligence officer and current and former Russian officials.

He has long refused to use the internet for fear of digital surveillance, Russian and U.S. officials have said, making him more dependent on briefing documents compiled by ideologically aligned advisers.

Battlefield updates can take several days to reach Mr. Putin's desk, leaving them often out of date, people familiar with the matter said. Front-line commanders report to the Federal Security Service, or FSB, the successor to the KGB, which edits reports for experts at the Security Council, who pass them to Council Secretary Nikolai Patrushev, the arch hawk who helped persuade Mr. Putin to invade Ukraine. He, in turn, passes the reports to Mr. Putin.

Mr. Patrushev and the Security Council didn't respond to requests for comment. Kremlin spokesman Dmitry Peskov said planning around what Mr. Putin refers to as a special military operation is classified as a state secret.

"The president, as earlier, has multiple channels for receiving information," Mr. Peskov said. "Any claims that he receives distorted information do not correspond to reality."

Mr. Putin, current and former Russian officials and people close to the Kremlin say, remains fully committed to bringing Ukraine to heel and is ready to mobilize Russia's economy and population for



FROM TOP: YASUO SHIBU/AGENCE FRANCE PRESSE/GETTY IMAGES; MIKHAIL METZEL/KREMLIN/ZUMA PRESS

years to succeed. If Western arms shipments and economic support flag, and Ukrainian morale dips, he could still emerge, on balance, as the victor in what is already the largest war in Europe since World War II.

For months, a trickle of Russian officials, pro-government journalists and analysts tried to bring word in person to their president about how his invasion was floundering, according to people familiar with the matter.

When one longtime pollster reached out to Mr. Putin's office about a survey showing lower-than-expected public support soon after the invasion, his office responded, using Mr. Putin's first name and his patronymic middle name, "Vladimir Vladimirovich doesn't need to be upset right now," according to a person familiar with the exchange.

In July, as American-supplied, satellite-guided HIMARS rockets began to strike Russian army logistics depots, Mr. Putin summoned about 30 business leaders from defense companies to his residence outside Moscow, according to people familiar with the meeting. After three days of quarantine, the executives sat at the end of a long table, listening as Mr. Putin described a war effort he considered a success.

Then Mr. Putin turned to Chief of General Staff for the Russian Armed Forces Valery Gerasimov, who said Russian weapons were successfully hitting their targets and the invasion was going according to plan. The arms makers left the meeting with a sense that Mr. Putin lacked a clear picture of the conflict, the people said.

The defense ministry didn't respond to requests for comment.

In September, a coterie of Russian military journalists and bloggers—all stalwart backers of the war—met with the president for more than two hours and came away with the same impression, according to people familiar with the matter.

That month, Mr. Putin met Chinese leader Xi Jinping in Uzbekistan, and assured him Russia had the war under control, people familiar with the meeting said. Russian troops abandoned hundreds of square miles of territory that week.

Ahead of a televised meeting with Mr. Putin's human-rights council this month, Adviser to the President and Council Chairman Valery Fadeyev and



Top, a police officer looked at destroyed Russian armored vehicles in Lyman, Ukraine, on Oct. 5. Above, Russian President Vladimir Putin attended a meeting via video link in Moscow on Dec. 7.

other members of the council encouraged the group not to broach topics such as Russia's use of mercenary forces to bolster its troops, according to Ms. Vinokurova and another former council member who was removed before the meeting.

"We were told that our task was only to speak with the president about big issues, not about small topics or private matters," said Ms. Vinokurova.

Mr. Fadeyev confirmed that the council together had decided not to raise the subject of the mercenary forces but said there was no ban on the topic. He said questions are discussed beforehand with the presidential administration, but said that the idea that state bodies filter information for the president was "complete nonsense."

To receive what he believes is raw information from the front, Mr. Putin has recruited four of the most popular pro-war voices on Russian social media, a mix of state TV journalists, war correspondents and pro-Kremlin propagandists who have been embedding with the army, according to people familiar with the matter. The influencers are tasked with helping a new Kremlin-run working group produce a monthly report on the progress of Russia's troop mobilization, according to a presidential decree published on the Kremlin's website this month.

Some of Mr. Putin's allies concede that information reaching the president was flawed and attribute military failures to poor planning by

government officials. Konstantin Zatulyn, a senior lawmaker from the ruling United Russia party who supports the war, said in an interview that the president "proceeded from an incomplete understanding of the situation and in some ways not fully correct."

The war planners, he said, "clearly underestimated the strength of the enemy and overestimated their own."

Self-deception

Mr. Putin needed only days to roll through more than a fifth of Georgia in 2008, and weeks to take Ukraine's peninsula of Crimea in 2014—an operation that his defense minister, Sergei Shoigu, and Mr. Gerasimov, along with Russia's SVR foreign intelligence agency and others, had advised against.

The SVR declined to comment.

The Russian president came to see the Crimea operation as a personal triumph. His inner circle gradually shrank down to his most hawkish advisers, who assured Mr. Putin Russian forces would seize Kyiv within days.

"He probably forgot that when he was a KGB operative he was lying to his boss," said Indrek Kannik, a former head of analysis for Estonian foreign intelligence.

The system of self-deception was decades in the making, said Boris Bondarev, a career diplomat who resigned from his longtime post at Russia's permanent mission to the United Nations in Geneva after the in-

vasion.

Diplomats at the mission learned during Mr. Putin's two-decade rule to feed Moscow the story it wanted to hear, he said. Junior officials and senior directors knew that to win plaudits and promotions they should exaggerate good news and play down the bad, for fear of upsetting "papa," a nickname for Mr. Putin, once used for Russian czars.

Mr. Bondarev, a counselor on arms control at the mission, could see that sanctions the West imposed on Russia in 2014 were having a much more serious impact than the country's leadership understood. Russia's drone production depended on European and American components. Aerospace

'They have this deep belief that they shouldn't upset the president.'

engineering sourced items as basic as nylon from the West.

When Mr. Bondarev raised it with colleagues who might have sounded the alarm about the potential effect on Russia's military preparedness, he recalled, he was shot down. "They said: No, there will be no consequences," he recalled. "Then consequences came."

Russia's foreign ministry didn't respond to requests for comment. "It seems that people will say just about anything nowadays to get public attention," a spokesman for the Russian mission in Geneva wrote in an email. He declined to comment further.

Diplomats filed updates to Moscow in cables typed in 14-point font, each line 1.5 spaces from the next. Good news would usually dominate the first page of each cable, with reluctant concessions to setbacks relegated to the few that followed. "You drown these unpleasant truths in a sea of many, many compliments," said Mr. Bondarev.

Updates relayed to the president were edited again by the Kremlin office, Mr. Bondarev added: "For him, it becomes much harder to distinguish what is correct and what isn't."

The seeds of Mr. Putin's overconfidence against Kyiv were planted in 2014, when his most senior war planners ad-

vised him not to seize Crimea.

An invasion would backfire, the defense minister and advisers warned Mr. Putin. But the president, convinced Russia's Western enemies were seeking to yank Ukraine from Russia's orbit, rejected their advice, according to the people familiar with the matter.

After a swift and nearly bloodless victory, his poll ratings soared above 80%.

In Ukraine, the conflict eroded sympathy for Moscow and helped the country forge a common national identity. Kyiv revamped and expanded its military.

Mr. Putin appears to have missed the shift.

In 2018, Mr. Putin, who began to speak of Russia as a military power equal to the U.S., gave his annual state of the union speech in front of a screen showing nuclear weapons striking what appeared to be Florida. "Nobody listened to Russia," he said. "Well, listen up now."

'Small circle'

When Covid arrived in 2020, Mr. Putin retreated from his usual residence in the Moscow suburbs to a remote estate near Lake Valdai, 250 miles from the capital, and the presidential summer residence in Sochi on the Black Sea.

There, he spent time with his old friend and media mogul Yuri Kovalchuk, who quarantined nearby, and the pair theorized over a shared idea of a restored Great Russia, according to people with knowledge of the relationship.

In a speech in April, CIA chief Bill Burns said that Mr. Putin's "circle of advisers narrowed and in that small circle it has never been career-enhancing to question his judgment or his almost mystical belief that his destiny is to restore Russia's influence."

Principal among them was the Security Council secretary, Mr. Patrushev, who had worked with Mr. Putin since the men were young KGB officers. The U.S., Mr. Patrushev has said, "would prefer that Russia did not exist at all."

As the circle tightened, Mr. Putin became increasingly paranoid, convinced that the U.S. was stationing nuclear weapons in Ukraine, U.S. officials familiar with the matter said.

In July 2021, Mr. Putin published a 6,917-word historical essay on the Ukrainian nation, penned in isolation with Mr. Kovalchuk by his side.

Meanwhile, the FSB was tweaking polling data to convince Mr. Putin that Ukrainians would welcome Russian soldiers, according to Ukrainian Security Council Secretary Oleksiy Danilov and a person close to the Kremlin. Other opinion surveys appeared to be entirely fabricated, said Mr. Danilov.

The FSB didn't respond to requests for comment.

Fifteen days into the war, after his quick strike on Kyiv failed, Mr. Putin scowled in a gold-embroidered armchair as his defense minister briefed him over a video link in a televised meeting.

"Vladimir Vladimirovich, everything is going to plan," said Mr. Shoigu. "We report this to you every day."

—Alan Cullison, Vivian Salama and Keith Zhai contributed to this article.



Russian troops surrounded a Ukrainian military base on the Crimean peninsula in 2014.

DANIL KOVALCHUK/GETTY IMAGES

OPINION

THE WEEKEND INTERVIEW with Pat Boone | By Matthew Hennessey

The Last of the Hollywood Squares

If you're under 50, you may not recognize the name Pat Boone. Consider this: For most of the latter half of the 20th century, there wasn't a person in America who didn't know who Mr. Boone was and what he stood for. He was the All-American; the kid in the white buck shoes; the clean-cut alternative to early rock-'n'-rollers like Elvis Presley, Little Richard and Chuck Berry; the star of a dozen Hollywood movies, none of which contained anything resembling profanity, social subversion or a love scene. Life magazine put Mr. Boone on its cover in February 1959, dubbing him "The Million-Dollar Idol of U.S. Teen-Agers."

The country was different in those days. Lucille Ball and Desi Arnaz, married in real life, had to sleep in twin beds on television. Ed Sullivan insisted that Elvis be filmed only from the waist up. Somehow Sullivan knew that the sight of those swiveling hips would arouse untamable animal spirits in the nation's young people. He knew it would destroy something. He was right, of course. How did he know?

The America that made the wholesome alternative to Elvis a superstar is rapidly fading from memory.

Maybe that was a better time, maybe not. One thing's for sure: Nobody worried about Mr. Boone's effect on the youth of America. You could point a camera at all of him.

"Back then being the All-American kid was popular, and being a family guy was popular, going to church was popular, and all of that was OK," he says during a recent interview in his memorabilia-filled office on the Sunset Strip. At 88, Mr. Boone is spry and sharp and, despite our presence in the godless wilds of La La Land, not the least bit hesitant to quote Scripture to a complete stranger: "When the wicked are in authority, sin flourishes, but the godly will live to see their downfall" (Proverbs 29:16). A well-thumbed Bible stays on his lap for the entirety of our 3½-hour conversation. "This is my 40th year to read straight through the Bible, word for word, from beginning to end."

Mr. Boone doesn't curse and won't sing songs about sex or drugs. He's a conservative Republican and an outspoken Christian—the double kiss of death in Hollywood. "They quit inviting me to premieres here a long time ago," he says, "but I wasn't interested in going to most of them anyway." I ask if it's possible for an entertainer

today to follow in his footsteps—if someone with his squeaky clean image and values could break through as a mainstream star. He mentions Michael Bublé, whom he calls "a great singer" and a family man who is lucky that "he was never tagged in any way politically." His brow furrows as he recalls "the really rocky path" that Justin Bieber took. "He was just an innocent kid, but then, wow, he went south."

Hollywood has always been the perfect place for an innocent kid to go south. "You cannot plan on success in the entertainment business," he says. "If you do plan on it, it's too easy to sell your soul to try to get there. And you'll regret that for your whole life."

I don't get the sense that Mr. Boone has many regrets. Sixty years ago, when he moved his family to Los Angeles, he paid \$159,000 for a house on a 1.2-acre lot at the corner of Sunset Boulevard and N. Beverly Drive. He still lives there. "I turned down \$20 million for that house," he says matter-of-factly. "I'm going to be offered more than that, I know." But he won't sell. That house is where he and Shirley, his wife of 65 years, raised their four daughters. It's where Shirley died in 2019.

"I feel Shirley's presence in the house all the time," he says. "Yes, I get lonely and I miss her. But that's one of the blessings." He's at peace with his own mortality: "I'm looking forward to being with Shirley soon." Not that he's slowing down. He hosts the "Pat Boone Hour," a radio show on SiriusXM's '50s Gold channel. He's just come from recording the Gettysburg Address for an animated educational series: "They wanted me to be the voice of Lincoln, so I jumped at it."

From the beginning he was intent on charting his own show-business path, one that wouldn't force him to sell his soul in exchange for success. "When we moved to California, I said consciously to Shirley, 'We're not going to live by Hollywood standards, we're going to live by Tennessee standards.'" I might have guessed what they are, but he spells them out: "Bible-believing, churchgoing, standing for righteousness, morality—the things that people in Tennessee just take for granted and they don't take for granted out here anymore."

Mr. Boone hit it big in 1955 with a cover of Fats Domino's "Ain't That a Shame." It shot to No. 1. A blizzard of smash singles and albums followed, many of which featured Mr. Boone's recordings of songs written and previously recorded by black artists. In time, the success of the Boone versions would lead to charges that he had done those singers dirty, crowding them off the airwaves and pocket-



BARBARA KELLEY

ing their rightful royalties. This "whitewashing" narrative has written itself into the legend of early rock-'n'-roll.

He waves the criticism off. "Rhythm and blues was not getting played on top radio. It was called race music," he says. "Some of the A&R people, the producers on the big labels, were starting to pick up on some of these hooky songs." Singers like Mr. Boone and Presley recorded those songs "because they had great beats and funny lyrics, and the kids loved them." They sold a lot of records. Everyone benefited. When Little Richard died in 2020, Mr. Boone told Billboard: "His music was good for me, and I was good for his music."

It's worth pointing out that musicians have been borrowing from and building on each other's work since "Greensleeves." The whitewashing charge has also been leveled at Elvis, the Beach Boys and Led Zeppelin. Not everyone agrees it has merit. In "The Philosophy of Modern Song," published in November, Bob Dylan writes: "Of all the people who sang [Little Richard's] 'Tutti Frutti,' Pat Boone was probably the only one who knew what he was singing about." That would be ice cream. Mr. Boone isn't a double-entendre kind of guy.

Mr. Boone's contemporaries were marketed as heartthrobs and sex symbols, but he was already off the market by the time he arrived on the scene. He'd married Shirley, his Nashville high-school sweetheart, when they were both 19. They had two daughters by the time they were 23, with two more arriving before the 1950s were over. Photographs of the Boone family's domestic bliss appeared regularly in fan magazines. You wouldn't dream of launching a pop career that way now, but back then it worked. Neither his teenage admirers nor the entertainment in-

dustry held it against Mr. Boone that he was as dangerous as a glass of malted milk. "I once shook hands with Pat Boone, and my whole right side sobered up," Dean Martin quipped.

"The Pat Boone Chevy Showroom," a weekly variety show, ran on ABC from 1957-60, and 182 episodes of "The Pat Boone Show" ran on NBC daytime in 1966-67. The irruption of the counterculture pushed him off the pop charts, so he turned to recording gospel and country records, which sold millions. He was a frequent guest on "The Tonight Show Starring Johnny Carson," typically demonstrating a healthy sense of humor about his own wholesome image.

Mr. Boone's image hasn't grown less wholesome in the 21st century. "If," his latest book of popular apologetics—he's written or co-written dozens—is, he says, aimed at nonbelievers: "I'm hoping to go on with Bill Maher." Mr. Boone has appeared on HBO's "Real Time" to battle with its atheist host before. He expects Mr. Maher to say, "You're telling me if I don't do what you say in this book, I'm going to hell?" And I'll say, "Bill, you already are. I mean, you already are. The reason I want to reach you is to keep you from going there."

Before stardom Mr. Boone thought he'd be a preacher. He still stands for God, mom and apple pie, "and I've taken plenty of beatings for it" at the hands of his own industry. In the 1950s and '60s, stars like John Wayne, Jimmy Stewart and Ginger Rogers were open about their conservative views. Obviously the winds have shifted. If you want to have a career in show business today and you tilt right-of-center, Mr. Boone says, "you don't talk about it." Hollywood has grown hostile to performers who make the mistake of admitting that they vote Republican.

Mr. Boone has felt the pinch. "I'm trying to be a little more judi-

cious than I used to be," he claims. Nevertheless, as I'm setting up my iPhone to record our conversation, he offers—unprompted—his take on Donald Trump's 2024 candidacy for president. "I would advise him not to run this time," he says. "Too many people are jaundiced against him now, even Republicans."

Mr. Boone says Mr. Trump's behavior during the invasion of the Capitol on Jan. 6, 2021, gave him "a bad black eye." He doesn't think the then-president instigated the riot, but concedes that he has "tried to utilize it" for political purposes and is doing "all the wrong things." Not that you'll catch Mr. Boone saying anything flattering about Mr. Trump's successor: "Biden is ruining the country now. He's just running us down a rat hole."

That kind of talk guarantees that Mr. Boone won't enjoy a late-career renaissance as a cuddly grandfather or stately ambassador in big-budget studio movies, though he clearly has the looks, energy and experience for it. Earlier this year he delivered a charming supporting performance as a wise old golf pro in "The Mulligan," an independently produced feature. He's filmed a role—he won't say what—in "Reagan," the upcoming biopic starring Dennis Quaid.

For a man approaching 90, Mr. Boone is in remarkable physical and mental shape. Maybe it's the result of living by Tennessee values. Throughout our wide-ranging conversation he demonstrates detailed recall of events that happened decades earlier. Ronald Reagan, he says, didn't have many show business friends, even among Hollywood Republicans. "Nobody thought he had a chance" in his 1966 race for California governor against Pat Brown, the popular incumbent. Toward the campaign's end, when it started to look like Reagan might win, "John Wayne came aboard, Roy Rogers, Dale Evans, and a few of those people." Years later, Mr. Boone says, they all claimed to have supported the future president's political ambitions from the start. "Everybody always underestimated Reagan."

The America of the 1950s is fading from memory. The animal spirits unleashed by the birth of rock-'n'-roll have run wild in the land for nearly 70 years. The fabric of the country has been torn and stitched back together so frequently that it's become almost unrecognizable. Nothing now is as it was then. Except Pat Boone. He is the same guy at 88 as he was at 18: an American square. And proud of it.

Mr. Hennessey is the Journal's deputy editorial features editor.

California, Never a Slave State, Considers Reparations

CROSS COUNTRY
By Will Swaim

Poor people—including poor black people—have it hard in California. An honest assessment of the causes would require the Golden State's political establishment to admit that its attempts to address enduring poverty have been catastrophic for low-income Californians.

Instead, Californians got a state reparations commission that time-traveled to the 19th century and discovered that slavery is the real reason for enduring black poverty. To settle accounts, the commission has determined that California taxpayers owe each of their black neighbors \$223,000. The state Legislature, which created the task force, will take up that proposal in a few weeks.

Established in 2020, the Task Force to Study and Develop Reparations Proposals for African Americans has been busy. It has held regional public hearings and produced a sprawling report: a collection of actual outrages against black people, specious theories about racism, and purposeful confusions of state and U.S. history. Reading its 500 pages is like listening to Béla Bartók's "Bluebeard's Castle" played on a kazoo.

Detailing the report's shortcomings would take another 500 pages. Begin with this: Slavery in what's now California was banned under Mexican authority in 1837. California joined the union in 1850 as a free state. The panel briefly acknowledges this only to dismiss it, lingering instead on the 1852 passage of the California Fugitive Slave Act, under which 13 people were deported from the state. The commission briefly mentions that the reviled law lapsed three years after

being passed but doesn't mention the numerous cases of white California officials—sheriffs, judges, attorneys and others—who discovered and liberated enslaved people.

The best known may be the story of Biddy Mason, one of several slaves brought to California by a Utah farmer in 1851. When Los Angeles County Sheriff David W. Alexander learned of their presence in San Bernardino, he rode 60 miles with a mixed-race posse to free Mason and the others. Los Angeles County Judge Benjamin Hayes formally emancipated them in a subsequent trial. Mason went on to become one of Los Angeles's wealthiest landowners, a merchant, midwife and philanthropist.

Nor does the commission explain that millions of black Americans voluntarily migrated to California. However bad it may have been, California was better for blacks than almost everywhere else. Consider the black Oklahoman who in 1923 drove to Weed, one of Northern California's flourishing lumber towns. "Boy, I oughta been here for years back," he told historian James Langford. "You could just almost pick your jobs when I came here. And it was a lotta, lotta black folks here."

Political scientist Ralph Bunche (1904-71) made a good case for California and against this commission. A black man raised in South Central Los Angeles, Bunche held degrees from the University of California, Los Angeles, Harvard and the London School of Economics. In 1950 he became the first Nobel Peace Prize winner of African descent for his work as a United Nations mediator in the Middle East.

In a speech at UCLA in the late 1920s, Bunche told the story of a black Texan "who had been in a virtual state of slavery to his Southern boss. By careful saving he was able

to take a short trip to Los Angeles and partake of the freedom and the grandeur of the Southland, and more particularly the pure liberty of our own Central Avenue." That man would never be the same, Bunche said. He might return to the South, but he had seen the promised land.

That's hard to square with the task force's conclusion that "Ameri-

The commission is a sham, meant to divert attention from the failures of today's state government.

can government at all levels, including in California, has historically criminalized African Americans for the purposes of social control and to maintain an economy based on exploited Black labor."

The real challenge to black and other poor Californians is bad government. Take the state's execrable public education system. California ranks dead last in the nation in lit-

eracy. Black children are the most brutalized these failures: Only 10% meet math standards and about 30% achieve English competency. Yet as test scores fall, high school graduations rise. Denied a real education, many of these children will qualify only for low-level jobs and government assistance.

The commission calls this a "school-to-prison pipeline" and blames slavery. Yet California's public schools are run by the commission's ideological allies, chiefly the teachers unions. Student performance has fallen with the rise of union power since the late 1970s. Spending more than \$300 million on politics annually, union leaders use their political leverage to expand union power no matter the cost to poor kids. They oppose as racist any program that might free children to pursue a good education—vouchers, home schooling, public charter schools, even transfers between districts.

The same applies to California's climate laws, which are broadly supported by the political establishment but financed by poor Califor-

nians who pay the price in higher transportation, energy and housing costs. Similarly, every time the state gives unions the right to manage labor, low-income Californians lose jobs and opportunity. The task force blasts overincarceration of black men but remains silent on the support of California's police and corrections unions for the very Democrats who created the task force.

Raising the banner of social justice, California's political establishment addresses each of these and other policy failures with new claims of racism—and new policies that further immiserate the poor. Confronted with their failures, the establishment has now come to the bottom of the barrel of excuses: Blame slavery, punish those who didn't engage in it and reward those who didn't suffer from it directly. In California, the answer to the failures of progressivism is always more progressivism.

Mr. Swaim is president of the California Policy Center and a co-host of National Review's "Radio Free California" podcast.

Notable & Quotable: Why God Became a Baby

Bishop Robert Barron of the Roman Catholic Diocese of Winona-Rochester, Minn., writing for the Journal's website, Dec. 23:

The central message of Christmas is that God became a baby. The omnipotent Creator, the source of finite existence, the reason there is something rather than nothing, became an infant too weak even to raise his head. I'm sure that everyone around the Christ child's crib did what people always do around babies: smile and coo and make funny noises. . . .

For the entire history of Israel, God was endeavoring to attract his chosen people to himself and draw them into deeper communion with one another. Yet a sad and consistent theme of the Old Testament is that despite the Lord's efforts and institutions, Israel remained alienated from God: the Torah ignored, covenants broken, commandments disobeyed, the Temple corrupted.

In the fullness of time, then, God determined not to intimidate or order us from on high but rather to become a baby. At Christmas, the hu-

man race no longer looked up to see the face of God but down into the face of a little child.

Once we understand this essential dynamic of Christmas, the spiritual life opens in a fresh way. Where do we find the God we seek? We do so most clearly in the faces of the vulnerable, the poor, the helpless, the childlike. It is relatively easy to resist the demands of the self-sufficient. It's decidedly less so for the lowly, the needy and the weak. They draw us, as a baby does, out of self-preoccupation and into the space of real love.

OPINION

REVIEW & OUTLOOK

In Hoc Anno Domini

When Saul of Tarsus set out on his journey to Damascus the whole of the known world lay in bondage. There was one state, and it was Rome. There was one master for it all, and he was Tiberius Caesar.

Everywhere there was civil order, for the arm of the Roman law was long. Everywhere there was stability, in government and in society, for the centurions saw that it was so.

But everywhere there was something else, too. There was oppression—for those who were not the friends of Tiberius Caesar. There was the tax gatherer to take the grain from the fields and the flax from the spindle to feed the legions or to fill the hungry treasury from which divine Caesar gave largess to the people. There was the impressor to find recruits for the circuses. There were executioners to quiet those whom the Emperor proscribed. What was a man for but to serve Caesar?

There was the persecution of men who dared think differently, who heard strange voices or read strange manuscripts. There was enslavement of men whose tribes came not from Rome, disdain for those who did not have the familiar visage. And most of all, there was everywhere a contempt for human life. What, to the strong, was one man more or less in a crowded world?

Then, of a sudden, there was a light in the world, and a man from Galilee saying, Render unto Caesar the things which are Caesar's and unto God the things that are God's.

And the voice from Galilee, which would defy Caesar, offered a new Kingdom in which each man could walk upright and bow to none but his God. Inasmuch as ye have done it unto one of the least of these my brethren, ye have done

it unto me. And he sent this gospel of the Kingdom of Man into the uttermost ends of the earth.

So the light came into the world and the men who lived in darkness were afraid, and they tried to lower a curtain so that man would still believe salvation lay with the leaders.

But it came to pass for a while in divers places that the truth did set man free, although the men of darkness were offended and they tried to put out the light. The voice said, Haste ye. Walk while you have the light, lest darkness come upon you, for he that walketh in darkness knoweth not whither he goeth.

Along the road to Damascus the light shone brightly. But afterward Paul of Tarsus, too, was sore afraid. He feared that other Caesars, other prophets, might one day persuade men that man was nothing save a servant unto them, that men might yield up their birthright from God for pottage and walk no more in freedom.

Then might it come to pass that darkness would settle again over the lands and there would be a burning of books and men would think only of what they should eat and what they should wear, and would give heed only to new Caesars and to false prophets. Then might it come to pass that men would not look upward to see even a winter's star in the East, and once more, there would be no light at all in the darkness.

And so Paul, the apostle of the Son of Man, spoke to his brethren, the Galatians, the words he would have us remember afterward in each of the years of his Lord:

Stand fast therefore in the liberty wherewith Christ has made us free and be not entangled again with the yoke of bondage.

This editorial was written in 1949 by the late Vermont Royster and has been published annually since.

What the Jan. 6 Committee Misses

The final House Jan. 6 committee report—at 845 pages—contains no surprises, and we've already assessed its lack of evidence to prove criminal behavior by former President Trump. The committee's demonstration of his moral and political culpability—and shameful refusal to act immediately to stop the riot—is damning enough.

But the report shouldn't pass into history without noting what the evidence reveals that the media largely ignores. To wit, the failure of Mr. Trump's attempt to overturn the 2020 election shows that U.S. democratic institutions, and their checks and balances, held up well. Despite today's partisan polarization, Mr. Trump's effort had no chance to succeed because it was opposed by nearly all Republicans in positions of authority.

Mr. Trump's allies in his effort included relatively few White House staff, some second-raters at the Justice Department, crony-kranks like Roger Stone (who took the Fifth Amendment before the committee), a few Members of Congress without influence, some backbench state legislators, and dubious legal advisers like John Eastman and Rudy Giuliani. Talk about a crew of banana Republicans.

Now consider those who opposed the Trump effort, or examined his claims of election fraud and rejected them. They included: His own White House counsel and legal staff; Attorney General William Barr and other leaders at the Justice Department; his entire Cabinet; senior military officials; most GOP state legislators; GOP governors and secretaries of state; all but a handful of GOP Senators; federal judges appointed by Mr. Trump; and, most famously, his

own Vice President Mike Pence.

The Jan. 6 committee acknowledges this GOP opposition in its effort to show that Mr.

The truth they don't stress enough is that U.S. institutions held.

Trump knew his fraud claims about the election were false. But the committee suggests that the President's attempt to overturn the election was a close-run thing. It wasn't.

The opposition by Members of Mr. Trump's own Administration, and his own party, was too broad and deep to have had any chance.

Even if Mr. Pence had tried to delay or reject the electoral votes, he could not have succeeded. There wasn't enough support in the contested state legislatures to overturn the popular vote count. And even if enough states had done so to deny Joe Biden 270 electoral votes, Speaker Nancy Pelosi would not have reconvened the Congress to count them. The Supreme Court would have eventually intervened, and our guess is that it would have ruled 9-0 against Mr. Trump.

None of this absolves Mr. Trump for his actions, but it does underscore the strength of U.S. democracy and the dedication to it by most elected and appointed officials. It also shows the value of having had men of principle like Messrs. Pence and Barr willing to take on the duty of working in the Trump Administration.

They were criticized as Trump-enablers when they made decisions the left didn't like. But those decisions were made based on the policy merits and the law. And when it mattered most, when Mr. Trump sought to overturn an election, the country was lucky to have had these men and others like them in office. It's a shame the Jan. 6 committee and the press won't give them the credit they deserve.

The IRS Grants a Harassment Reprieve

The Internal Revenue Service isn't usually a bearer of good news, but on Friday it brought holiday cheer by granting a one-year reprieve from a burdensome reporting mandate that could have ensnared any American who made extra cash selling used goods on eBay. It would have been better if Congress had repealed the mandate.

Third-party payment processors such as eBay, Amazon and PayPal previously had to send 1099-Ks only to taxpayers with at least 200 transactions and \$20,000 of revenue. Democrats lowered the threshold to \$600 in their March 2021 American Rescue Plan Act to catch Americans they claim are cheating on their taxes.

With one hand Democrats doled out bountiful transfer payments, and with the other they pursued unsuspecting taxpayers. The low \$600 mandate was intended to target Americans who use the platforms on occasion to, say, rent out their homes or sell homemade wares. But it also could ensnare countless Americans who use peer-to-peer payment services to reimburse friends for a night out or send a birthday gift in lieu of cash.

While the IRS claimed its goal wasn't to track personal transactions, good luck to payment platforms trying to distinguish these from actual payments that constitute income. The mandate threatened to create a morass for taxpayers, accountants, platforms and the IRS, which would have been drowned with questions during filing season.

Members of both parties in Congress have argued for increasing the threshold or abolishing the mandate, but too many Democrats

The \$600 payment rule is postponed for a year, after a public uproar.

support it because they want the IRS to have more information and power to harass taxpayers. That's part of their plan to close the supposed \$1 trillion gap between what they say Americans pay

and owe in taxes.

The IRS defends the mandate as "hugely important" to ensure tax compliance but said on Friday that to "ensure clarity for taxpayers, tax professionals and industry, the I.R.S. will delay implementation of the 1099-K changes" for a year. The mandate was passed nearly two years ago, and the IRS has been warning taxpayers about it for months.

The Biden Administration is trying to calm a public uproar we've been happy to encourage, and the White House doesn't want to be blamed by Americans who get caught in the IRS dragnet. This is reminiscent of what happened with ObamaCare, another law Democrats jammed through without giving a second thought to its consequences.

The IRS in 2013 delayed enforcement of the ObamaCare employer mandate by a year amid an outcry from business, and it lightly enforced the requirement that individuals carry health insurance or pay a fine. But the threat of IRS enforcement continued to hang over Americans until the GOP zeroed out the penalty. The \$600 reporting mandate will do the same unless Congress can muster the will to repeal it.

LETTERS TO THE EDITOR

The Evidence on School Choice in Rural Areas

Several red states appear poised to adopt expansive school-choice policies this year, prompting the teachers unions and their allies to claim that the sky is falling, especially in rural areas. Corey DeAngelis is right to call out the Chicken Littles for their scaremongering ("The Little Red Schoolhouse Could Do With a Little Competition," op-ed, Dec. 17), pointing to copious evidence that choice and competition have a positive effect on public-school performance.

Arizona, a longtime leader in school choice, is the perfect example. It was the first state to enact tax-credit scholarships in 1997 and K-12 education savings accounts in 2011. More students in Arizona exercise school choice than in any other state. If school choice destroys rural public schools, as opponents claim, then Arizona should be ground zero.

The opposite is true. Arizona's rural students have improved much more

than rural students nationwide have over the past decade. From 2007 to 2019, Arizona rural students' fourth and eighth grade reading and math scores on the National Assessment for Educational Progress increased by a combined 21 points, while scores in rural schools nationally decreased by two points. Postpandemic, Arizona's rural students were still up a combined nine points while rural students nationally dropped 17 points from 2007.

As we detail in a forthcoming Heritage Foundation report, school-choice policies have greater potential to benefit students in rural areas than ever before, including those who remain at their local public schools. Rural residents and the policy makers who represent them have nothing to fear from school choice—and students have much to gain.

JASON BEDRICK AND MATTHEW LADNER
Heritage Foundation and ReimagineED
Phoenix

'Hate' Lets New York's Leaders Off the Hook

"Liberals love to fight hate, but I'd rather they punish crime," writes Elliot Kaufman in "Inconvenient Anti-Semites' in New York's War on Hate" (Cross Country, Dec. 17). As with so many campaigns waged by the left, the identified target is an abstraction. Targeting "hate" merely provides permission for public officials to combat violence with education or other gentler, kinder measures. That is well and good as a long-term strategy for protecting Jews and other minority groups. In the short run, however, releasing criminals while promising to contain the hatred that animates them is a cop-out.

Even for an abstraction, "hate" is particularly abstract. Rather than recognizing that anti-Semitism has a life

of its own—a history, ways of obfuscating and a set of apologetics for those who subscribe to its conspiracy theories—Jew-hatred is subsumed into a much fuzzier category. If it is only one form of hate, among many on the intersectional axis of oppression, those who claim to fight it can dissemble by pointing to the ways they are working to dismantle various "systems" that they deem responsible for hate generally.

New York will take care of its anti-Semitism problem only to the extent that doing so will advance unrelated progressive goals. The state's reliance on meaningless clichés about "hate" makes that tragically clear.

TAL FORTGANG
New York

The Brain, Life and the Meaning of Death

Many of the people working to revise the Uniform Determination of Death Act have argued that the brain-based definition of death should be maintained because whole-brain death is the death of a human being. Contrary to James Bopp Jr.'s claim cited in "Doctors and Lawyers Debate the Meaning of 'Brain Death'" (U.S. News, Dec. 12), there is no parallel between brain-death debates and debates about when life begins.

In the earliest stages of life, organismal integration doesn't require a brain (at first because of the relative simplicity of the embryo, and then because the placenta plays the central integrating role during gestation). In postnatal humans, however, the brain is an irreplaceable organ responsible for organismal self-integration; when it has died, the body is no longer truly integrated, even though life-support machines can mask this. Human organs and even organ systems can be artificially maintained in a lab outside the body, but no one thinks these are human beings or that the person they came from is still alive.

Similarly, that some brain-dead bodies can be artificially maintained doesn't mean that the human being is

still alive, for the hallmark of organismal life is self-integration. When the brain dies, such self-integration has been irretrievably lost.

PROF. MELISSA MOSCHELLA
Catholic University of America
Washington

After many years of doing medical-ethics consultations, I found that the term "brain death" implies to the family that the rest of the loved one is still "alive." This is misleading and sometimes causes disputes and distress within families as well as between them and the healthcare system. It can also contribute to nurse and physician burnout and consume valuable hospital and community resources. Testing for brain function is no different than monitoring for heart beat or respiration and shouldn't be an optional item subject to family objection. To be honest and clear, we should eliminate from our lexicon the term "brain death" and simply say that the person is dead.

HALLEY S. FAUST, M.D.
Santa Fe, N.M.

The challenge in these situations is the removal of the respirator. I have found the key to be explaining to the family that the person's heart is being kept beating artificially. The advice to remove extraordinary means, then, will allow nature to take its course. A good hospital organ team could be ready to harvest organs once legal death occurs (when the heart stops naturally). A good counseling team including doctors, nurses and clergy can help the family overcome moral, legal, cultural and religious scruples. It may be time-consuming, but it benefits all parties involved, including the patient.

REV. MICHAEL P. ORSI
Naples, Fla.

Add This to Stanford's List

As long as Stanford is fighting harmful language ("The Stanford Guide to Acceptable Words," Review & Outlook, Dec. 20), I would like it to include two more words that no longer belong on campus: "common sense."

HARVEY H. JACOBSON
Naples, Fla.

Tax-Return Dump Backfires

Regarding your editorial "The Democratic Trump Tax Dump" (Dec. 22): Rep. Richard Neal and the Democrats on the House Ways and Means Committee embarrass themselves rather than President Donald Trump, their intended target. What "legislative purpose" would be served by the disclosure of Mr. and Mrs. Trump's 1040s? These politicians are always in negative campaign mode, never focused on good government.

BRIAN NIXON
Pompano Beach, Fla.

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.

Pepper ... And Salt

THE WALL STREET JOURNAL



"Remember, Tom: Your sadness is valid even if no one believes you."

OPINION

Spare Us a Trump-Biden Rematch



DECLARATIONS
By Peggy Noonan

There is a sense in which last month's election can be seen as America trying to return itself to its previous settings. The outcome was inherently moderate, and those who seemed extreme didn't prosper.

One way the country could return to normalcy is not to have a repeat of Biden vs. Trump in 2024. Nobody wants that. It's a race that would depress the whole country. There's so much hunger to turn the page, begin a new era. Could we?

It is certain that Donald Trump will never again be president. The American people won't have it. This was demonstrated in November: Independents and moderate Republicans re-

The president is likelier than his predecessor to be nominated, but could he be persuaded to bow out?

jected GOP candidates who supported him, not trusting them to be responsible in power. It is possible Mr. Trump will get the presidential nomination, but it's no longer likely.

He's on the kind of losing strain that shows we're at the end of the story. Next summer it will be eight years since he went down the escalator. Time moves—what was crisp and new becomes frayed and soft. His polls continue their downward drift. He is under intense legal pressures. This week the Jan. 6 committee put more daggers in: Only the willfully

blind see him as guiltless in the Capitol riot. He will be 78 in 2024 and is surrounded by naïfs, suck-ups, grifters and operators. That was always true but now they are fourth-rate, not second- or third-rate.

He has lost his touch. Remember when you couldn't not watch him in 2015 and 2016? Now you hear his voice and give it a second before lowering the volume. At his occasional rallies supporters wait for him to pause so they can cheer; they aren't really listening to the words. Video of the crowd that gathered at Mar-a-Lago to hear him announce showed them trying to leave before he'd finished. There are streaks and slumps in politics as in life, but Mr. Trump's slump won't end, because it's not a slump; it's a losing season.

The party he's left on the ground seems to be trying to regain its equipoise. November's results will speed the process. The GOP in Congress is a mixed bag. There are more than a handful in the House who try to out-Trump Mr. Trump, and they will no doubt continue to batter the party's reputation. In the Senate only two members really try to out-Trump Mr. Trump, Josh Hawley and Ted Cruz. The top-ranking Republican in Washington, Mitch McConnell, on Jan. 3 surpasses Mike Mansfield as the longest-running Senate party leader. (Mansfield, a Montana Democrat, was majority leader for 16 years, 1961-77; Mr. McConnell has been minority or majority leader since 2007.) On Jan. 6, 2021, he went at Mr. Trump sharply and publicly. He has since demonstrated that you can survive Mr. Trump's verbal assaults and be understood to stand against him, without letting the subject dominate the daily conversation.

We're watching the Trump story end before our eyes and can hardly believe it because we thought it was end-



Trump watches a video of Biden at a Nov. 6 rally in Miami.

ing before and it wasn't. But it is now. As for Joe Biden, all indications are he will run for re-election. He likes being president, thinks he's good at it, and apparently doesn't think he's slipping with age.

But the brilliant move would be to surprise the world and not run again. Second terms are always worse, fraught and full of pain; even your own party starts jockeying to take your place. He's showing age and it will only get worse, and he will become more ridiculous, when he's deeper into his 80s.

He's freezing his party in a way that will likely hurt it. When Democrats were sure Mr. Trump would get the Republican nomination, it justified a Biden run, no matter how frustrated they were. He had beaten Mr. Trump before and would do it again. But a great many Democrats believe that if Mr. Trump isn't the Republican nominee—and they are starting to think he won't be—then that nominee will go forward without Mr. Trump's deficits, and may even be a normal Republican, which will mean

he or she will squish the eternally underwater Mr. Biden like a peanut. They want him to step aside.

A trusted Biden intimate with an eye on the party's fortunes would be wise to urge the boss to rethink things dramatically.

Mr. President, you have a perfect opening to cement a stunning legacy. You kept every promise you made to the party in 2020. You got rid of Donald Trump. You got us out of Afghanistan. You passed huge FDR-level bills that transformed the social safety net. History threw you a curve with Ukraine, but you warned it would happen, defined the struggle, built the coalition, and defended the rule of international law.

Boss, what a triumph! You did your job in history. You fulfilled your role.

And now you should go out an inspiration. Don't stick around, it will never be this good again. Do the brave, hard thing and relinquish power. Tell the party, "I always said I would be a bridge. And friends, the past four years we built that bridge."

It is big, strong and can carry all traffic. Now, with complete faith in my party, I am declaring the bridge open. The past year I've come to have faith that my Republican friends won't nominate that bad and unpatriotic man. And I'll be frank, I will turn 82 in 2024, and though I can still take you in arm-wrestling, that is, I admit, an advanced age. We need the leadership of minds forged and matured in the 21st century. So I will not run for re-election. Nor will I put myself behind any one candidate. Let the party decide. We have a good bench. I will watch this process with confidence."

My God, what people would say. "What a great man." Your reputation will be raised high forever—you actually walked away from the limelight in order to ensure that power stay in the party that stands for the better things. What a legacy.

Could he do this? Yes. Should he? Yes. Will he? Well. He likes being president. He likes the whole thing, the house, the salutes, the state dinners, the centrality to all events, the cynosure of all eyes, being taken seriously after a career of being considered a cornball glad-handing pol, a guy who wasn't that bright but had a huge ego . . .

People tend not to leave what they like. And it's hard to imagine a Biden intimate telling him his age is a factor and he should leave. They surely saw that aging in 2019 and 2020. But they too wanted the White House. They wanted power, they wanted the glamour and importance. They thought they could make it work, while saving the party from Bernie Sanders and Elizabeth Warren.

All signs are Mr. Biden will stay and run again. The coming year will be interesting in part because we're going to see the central realities of 2024 arrange themselves, the election line itself up.

How Senate Republicans Can Prevent a Future Omnibus

By Chris Jacobs

It has become an end-of-year ritual—Congress passes an omnibus spending bill totaling thousands of pages and spending trillions of dollars. The yearly tradition of heavy spending passed within hours highlights the pork-barrel bargaining that many Americans hate about Washington. But strange as it sounds, Democrats' 2021 spending blowout provides a road map for Republicans to avoid such unrestrained measures in the future.

While he was president, Donald Trump railed against massive spending bills—and then signed them. In March 2018, after backing down from his threat to veto that year's omnibus, he vowed, "I will never sign another bill like this again." But in December 2020, Mr. Trump signed another omnibus measure, this one running more than 5,400 pages and with more than \$1 trillion in additional Covid and other spending attached.

In his 2018 remarks, Mr. Trump identified the main dynamic that leads to big spending bills: "There are a lot of things that we shouldn't have had in this bill, but we were, in a sense, forced—if we want to build our military—we were forced to have." Democrats will agree to appropriate levels of defense spending only if Republicans agree to fund their pet domestic projects. To this "everyone gets a pony" spending-spree mentality, add myriad pieces of unrelated legislation, thousands of earmarks and pork-barrel projects to secure the votes of recalcitrant lawmakers, and you get an omnibus bill that Congress will pass before anyone has read it.

Preventing the annual omnibus disaster involves heading it off at the pass—and the American Rescue Plan Act of 2021 is a blueprint for doing so. The act included about \$1.9 trillion for Covid relief and other government outlays. Appropriations measures are subject to a filibuster, so that they effectively require 60 votes for Senate passage. To skirt

that requirement, Democrats enacted their spending blowout through the budget-reconciliation process, which allowed the bill to pass the Senate with a simple majority vote.

The 2021 reconciliation bill also blended the line between mandatory spending programs, which effectively operate on autopilot, and those

To keep pork and pet projects from holding national security hostage, use budget reconciliation.

funded by discretionary appropriations, which lawmakers must renew every year. Previous budget-reconciliation bills altered federal spending solely by making changes to mandatory programs—say, by adjusting Medicare payment rates to doctors, or changing eligibility for Medicaid or food stamps. But the 2021 recon-

ciliation bill also created numerous pots of federal funds for agencies—from nearly \$123 billion for public K-12 schools to roughly \$21.6 billion for rental assistance.

Traditionally, Congress funded this agency spending through annual appropriations bills, not via reconciliation. The 60-vote threshold gives each party an effective veto over the legislation. This dynamic lends itself to collaboration between Republican and Democratic appropriators to increase spending—with taxpayers footing the bill.

But because the Senate parliamentarian allowed Democrats to create new slush funds for domestic spending with a simple majority via budget reconciliation in 2021, a future Republican Congress can do the same for defense spending. Passing a separate bill to fund national security would eliminate the leverage that Democrats always use to extract additional spending for their favored domestic projects.

A Republican could win the White

House in 2024, with coattails that result in GOP House and Senate majorities. If that happens, Republicans should use unified government to budget for national security needs via reconciliation. That would let lawmakers provide not only substantial funding but a predictable source of federal dollars over a longer 10-year period—instrumental to keeping a stable industrial base for the nation's military. Using reconciliation also would eliminate the Democratic tactic of holding national security hostage to their push for climate measures and other unrelated spending.

That last scenario would give the next Republican president every reason to veto another bloated end-of-year omnibus bill. Candidates in the presidential primaries should pledge to address defense needs via budget reconciliation to bring the annual omnibus madness to an end.

Mr. Jacobs is founder and CEO of Juniper Research Group and author of "The Case Against Single Payer."

The UFO Crowd Wants an Alien Invasion for Christmas



BUSINESS WORLD
By Holman W. Jenkins, Jr.

Reader Lex Fridman apparently has an extensive knowledge of and enthusiasm for UFO sightings, and also an appreciation of ants judging by his personal email address and avatar.

And yet he assures me he's not Lex Fridman the MIT computer scientist and webcaster who also has a deep knowledge of and enthusiasm for UFO sightings, and has exhibited an admiration of ants in his social-media posts.

He asks some questions, though: "How much did they pay you to write this trash? Do you still have a gag reflex or did they take that along with the journalistic integrity?" He closes with a scatological insult, which, in an undeserved favor to him, I don't repeat.

Numerous outreaches to the MIT Mr. Fridman went unreturned,

but presumably my emailer meant to suggest I was being paid by aliens to cast doubt on alien sightings. The email in question arrived in response to a column, "The UFO Bubble Goes Pop," which didn't mention him but dealt with a phenomenon with which he is closely associated. My skepticism was fortified by a New York Times leak about a pending declassified U.S. intelligence report. Expected in October, that report is delayed and will be released during the holidays—not to bury it, officials have assured Sen. Kirsten Gillibrand, a promoter of UFO disclosure, but to make sure the report is "well written."

Uh huh. The climbdown the report portends is overdue even if poorly written. A previous June 2021 report, based on "unclassified" information, fed the public only a loosey-goosey impression of the skies above U.S. military training ranges being overrun by mysterious physical objects demonstrating advanced technology.

This followed years of questionable Pentagon statements lending credence to military UFO sightings. With these came a pronounced uprating in the mainstream media and academic blogosphere of the likelihood that aliens are already among us. The New Yorker devoted 13,000 words to the subject, under the heading, "How the Pentagon started taking UFOs seriously."

Then the Russia-Ukraine war changed everything. Misinterpretation was already a risk. Sen. Marco Rubio, NASA chief Bill Nelson and other officials were in the habit of going on TV and warning that UFOs, if not alien spacecraft, must be super-advanced Russian or Chinese technology behind which the U.S. is woefully lagging.

The new report, according to the press leak, will stress the role of conventional surveillance drones, "weather balloons or other airborne clutter." NASA has launched its own inquiry with the barely disguised motive of dispelling the mis-asma created by years of careless

Pentagon posturing and wordplay.

Those with a taste for how we got here can do worse than Mr. Fridman's popular YouTube interviews with UFO-believing scientists, technologists and Navy pilots involved in some of the most celebrated incidents.

The government has perhaps made a discovery: The most dis-

The Pentagon discovers it's not the flying saucers but their admirers who may be the real security threat.

turbing idea embraced by the UFO cheerleaders isn't that life exists elsewhere in the universe—which seems likely—or that they may visit us. It's that aliens are a Jesus stand-in. They are our saviors. They and their civilizations are full of beneficent understanding and sympathy for humanity.

The U.S. defense sector has been strangely rife with such thinking for decades, producing a number of incidents in which personnel claimed aliens fiddled with or deactivated our nuclear weapons, presumably in loco parentis. A self-proclaimed Pentagon whistleblower and History Channel host, Luis Elizondo, whose mastery of media gullibility has been a major inflator of the UFO bubble, is naturally a pusher of this theme.

The furor sent me to the most talked-about science fiction book of recent years, likely to be found under a few trees this season. "The Three-Body Problem," by China's Liu Cixin, turns on the intentions of an alien species alerted to our planet's existence by a Chinese military scientist acting on religious hopes, which the aliens then play on. In his afterword, the author reflects gently on the myopic mysticism of so many alien-visitation enthusiasts:

"When they gaze up at the stars they turn sentimental and believe that if extraterrestrial intelligences exist, they must be civilizations bound by universal, noble, moral constraints, as if cherishing and loving different forms of life are parts of a self-evident universal code of conduct."

He adds: "I think it should be precisely the opposite. . . . We should be ever vigilant, and be ready to attribute the worst of intentions to any Others that might exist in space."

Let me quickly say, given interstellar distances, my view is that we'll be extinct by the time any space "Others" learn about our existence. But humanity shouldn't look to space aliens for its salvation. With that, I wish my readers, including all the Lex Fridmans in the audience, a merry Christmas.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch
Executive Chairman, News Corp

Matt Murray
Editor in Chief

Karen Miller Pensiero, Managing Editor
Jason Anders, Deputy Editor in Chief
Neal Lipschutz, Deputy Editor in Chief
Thorold Barker, Europe; Elena Cherny, News;
Andrew Dowell, Asia; Brent Jones, Culture,
Training & Outreach; Alex Martin, Print &
Writing; Michael W. Miller, Features & Weekend;
Emma Moody, Standards; Shazna Nessa, Visuals;
Matthew Rose, Enterprise; Michael Siconolfi,
Investigations; Amanda Wills, Video

Paul A. Gigot
Editor of the Editorial Page
Gerard Baker, Editor at Large

Robert Thomson
Chief Executive Officer, News Corp

Almar Latour
Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:
Daniel Bernard, Chief Experience Officer;
Mae M. Cheng, SVP, Barron's Group; David Cho,
Barron's Editor in Chief; Jason P. Conti, General
Counsel, Chief Compliance Officer; Dianne DeSevo,
Chief People Officer; Frank Filippo, EVP, Business
Information & Services, Operations; Robert Hayes,
Chief Business Officer, New Ventures;
Elizabeth O'Melia, Chief Financial Officer;
Josh Stinchcomb, EVP & Chief Revenue Officer,
WSJ | Barron's Group; Jennifer Thurman, Chief
Communications Officer; Sherry Weiss, Chief
Marketing Officer

EDITORIAL AND CORPORATE HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036
Telephone 1-800-DOWJONES

Notable & Quotable: Philly

Thom Nickels writing for City Journal, Dec. 23:

The statue of Christopher Columbus in South Philadelphia's Marconi Plaza had been hidden in a plywood box since the 2020 George Floyd riots. It was boxed after a city-wide iconoclastic purge following the riots. . . . On December 9, however, Pennsylvania judge Mary Hannah Leavitt ruled that the plywood box covering the statue must be removed. She stated that, if the city disagrees with the statue's "message," it could add a plaque explaining what is "more in line with the

message the City wishes to convey."

"More to the point," Judge Leavitt continued, "the City accepted the donation of the Columbus statue in 1876. It has a fiduciary duty to preserve that statue, which it designated an historic object in 2017. The Columbus statue is not City property as is, for example, a City snowblower. Whether the City agrees with the 'message' is simply irrelevant to its fiduciary duty to preserve and maintain public works of art that have been designated historic objects." Leavitt's ruling reversed a 2021 court decision permitting the city to keep the statue in a box.

SPORTS

By ROBERT O'CONNELL

By the time the Boston Celtics reached the seventh game of their Eastern Conference semifinal series against the Milwaukee Bucks last May, nobody could say Grant Williams hadn't done his share.

Despite severe disadvantages in height, weight and renown, Boston's third-year backup forward, thrust into a larger role due to injuries, had spent much of the series matching up against Giannis Antetokounmpo. For two weeks, he set his chest against the two-time MVP's post-ups and planted his feet in the path of his drives to draw offensive fouls, and Antetokounmpo, a 55% shooter during the regular season, had made just 46% of his shots.

Then the team asked still more of Williams. Milwaukee's defense was overcommitting to Boston's stars, betting that a left-open Williams, who had made less than one 3-pointer per game over his career, couldn't make them regret it. "We all told him, 'You have to shoot these shots,'" Boston assistant coach Ben Sullivan said.

Williams obliged, and his seven 3-pointers and 27 points paced the Celtics as they finished off the defending-champion Bucks. The outburst helped Boston continue a playoff run that ended in the NBA Finals, but it also unlocked something in his source.

"You've done it, you've proven it," the 24-year-old Williams said in an interview. "Now go out there and prove it again and again and again. Don't be the guy that does it once."

This season, Williams has carried over the confidence, if not the game-wrecking totals. Over 31 games and 14 starts, he's averaged a career-high 9.3 points and paired his valiant defense with some of the NBA's most efficient shooting numbers: 43.5% from 3-point range and 66.2% from 2. His true shooting percentage—which factors in 3-pointers, 2s and free throws—is the fourth-highest among non-centers.

As the Celtics head for a Christmas rematch with the Bucks, Williams isn't the primary reason for the Celtics' No. 1 offense and 22-10 record; that would be the All-Star wing tandem of Jayson Tatum and Jaylen Brown. He is the latest and best example of the organization's knack for collecting role players who make their parts into something more—something Williams accomplished with a studious approach to molding his game to the team's superstars.

At Tennessee, Williams had been a star himself, a designation that ended unsubtly on the night of the 2019 NBA draft, when he fell to Boston's 22nd overall selection. The abilities he flashed en route to All-America honors—a cagey midrange



Grant Williams, No. 12, has molded his game to complement All-Stars Jayson Tatum, No. 0, and Jaylen Brown, No. 7.

'Batman' Is There When Celtics Need Him

Grant Williams has shaped his game to play a critical role for Boston



game, dogged competitiveness and a 6-foot-6-inch physique that brought to mind a mobilized fire hydrant—were thought to be mostly irrelevant in a league of taller and quicker frontcourt players.

Williams's first two seasons bore the judgment out.

He was strong and nimble enough to guard, but on the offensive end he managed just four points per game, showing neither the burst to get past his opponents nor the range to reliably punish them for sloughing off.

"You have to do certain things to get on the court, first," Sullivan said. "Can you defend, can you compete? Can you knock down a shot, and are you willing to shoot an open shot?"

Where other collegiate stars might have chafed at their plummeting status in the pros, Williams approached it as a problem that must have a solution.

He sources his ability to fit into team's dynamics—the ingenuity to identify group needs and the cordiality to adapt to them—from his parents.

Williams's mother, Teresa Johnson, is a NASA engineer who worked on the team that designed the International Space Station. His father, Gilbert Williams, played college basketball at Mankato State College and later worked security for Prince, among other musicians.

Rob Lanier, the head basketball coach at Southern Methodist University who was an assistant at Tennessee during Williams's time there, described a player set on dissolving the barrier his status as a future draft pick might create between him and his teammates. He would score 20 points in a night, sprint out every defensive rotation and, Lanier said, coax other players into a board game on the bus ride back to campus.

"He's gregarious. He has a bubbly personality that can initially come off as not real. Like, 'Is this guy really this big of a nerd?' " Lanier said. "But he's fearless in his nerdism. I think of him as one of the real-estate guys I've ever been around."

"I might not be the smartest person in the room," Williams said, "so how can I learn more about the people around me and improve myself?"

By last season, his third in Boston, Williams had refined his shooting stroke through rote repetition; a then-career-best 41.1% mark from 3 had prompted the Celtics' demand that he let it fly against the Bucks. This year, though, Williams has made the superficially straightfor-

ward dictate of playing around Tatum and Brown—knock down open looks—into a high science.

The player who spent his college years shouldering opponents out of the way in close quarters now considers the game on a sideline-to-sideline scale, charting how a defense bends and buckles and stepping into its vacated spaces.

"Just because they draw that attention doesn't mean that we can be stagnant," Williams said of Tatum and Brown. He described finding "my own kind of game within our offense." That means sneaking behind turned heads into an unwatched patch of 3-point arc, or charging past a defender worried about the jumper for a closer shot, or leveraging the threat he himself now presents to kick the ball to another open shooter.

"He's starting to read the game at a high level," Sullivan said. "He's creating these scenarios for himself."

The Celtics' recent run atop the Eastern Conference has benefited from players surpassing expectations.

Prior to last season, Boston traded for center Al Horford, whom the Oklahoma City Thunder had shelved; Horford has since emerged as a roving linchpin of Boston's switch-heavy defense.

At the 2022 trade deadline, the Celtics dealt for guard Derrick White, whose pedestrian basic statistics undersold the boost he gave to the Boston offense.

So it is with Williams, whose now-reliable game has obvious, if idiosyncratic, utility.

On defense, he remains the fire-wall capable of absorbing assaults from the NBA's most aggressive rim-crashers. ("My mindset is 'Don't break,'" Williams said of his playoff battle with Antetokounmpo. "Don't ever budge.")

On offense, he's a pressure-release valve, knowing what to do with the ball without demanding it. He averages 1.4 points per shot attempt, better than 83% of players leaguewide.

NBA teams can be divided between those who talk trash and those who receive the trash talk; Williams does both capably, which eases locker room tensions.

"He's funny and has such a bright spirit about him," Sullivan said, "and I'm thankful we have him, because it's a long season." On Oct. 30, after a blowout win over the Washington Wizards, Williams appeared for his postgame media session in full Batman regalia, a nod to the nickname he'd earned by repeatedly standing strong against Denver center Nikola "The Joker" Jokic.

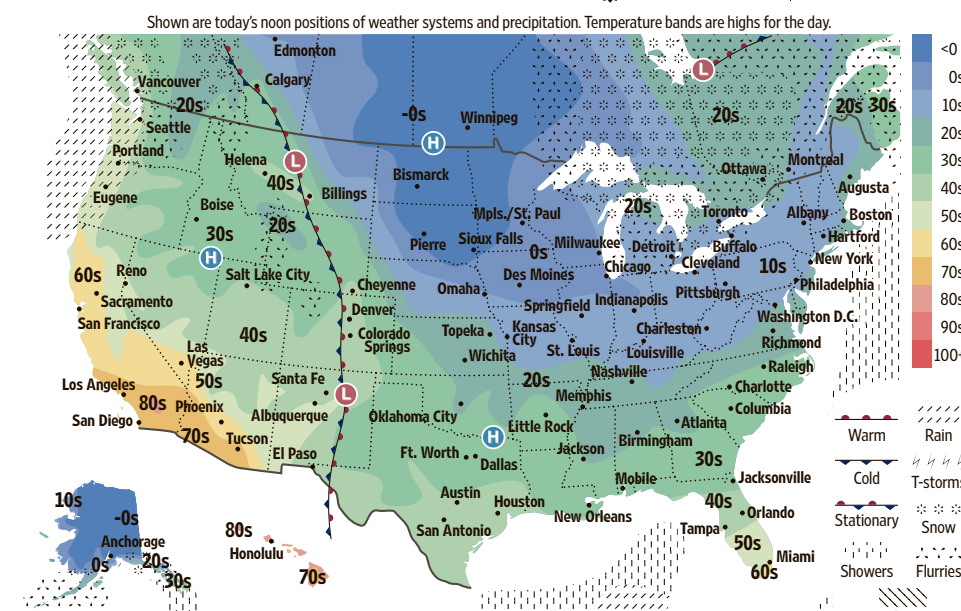
He answered questions in a Dark Knight rasp, naming Tatum and Brown "Superman" and "Green Lantern."

The bit overshadowed another useful night.

Williams stalled Washington drives before they could start and pushed the Wizards away from the rim. He took just six shots, which for most noteworthy NBA players would be a paltry total. But he made four of them—more than enough to make a difference, on a team with grand designs.

Weather

AccuWeather | Visit AccuWeather.com



U.S. Forecasts

s., sunny; pc., partly cloudy; c., cloudy; sh., showers; t., storms; r., rain; sf., snow flurries; sn., snow; l., ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	-1	-8	pc	13	6	pc
Atlanta	27	18	s	34	20	s
Austin	41	21	s	46	28	s
Baltimore	21	15	pc	28	16	s
Boise	34	31	c	37	30	c
Boston	22	16	pc	29	22	s
Burlington	17	14	c	24	19	sn
Charlotte	33	17	s	37	18	s
Chicago	9	3	pc	14	7	s
Cleveland	12	10	sf	17	7	c
Dallas	38	24	s	45	28	s
Denver	48	26	pc	55	25	pc
Detroit	16	14	sn	22	11	c
Honolulu	83	68	pc	82	68	pc
Houston	42	23	s	49	24	pc
Indianapolis	13	3	c	16	11	pc
Kansas City	18	4	pc	26	18	pc
Las Vegas	64	43	s	63	44	s
Little Rock	32	18	s	36	23	s
Los Angeles	77	55	s	80	53	s
Miami	59	45	pc	57	46	c
Milwaukee	12	3	c	13	7	sn
Minneapolis	3	-7	s	6	-1	sn
Nashville	23	15	pc	26	16	pc
New Orleans	37	29	s	44	30	pc
New York City	19	16	pc	27	20	s
Oklahoma City	28	12	s	40	25	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	51	44	c	51	44	r
Athens	59	47	s	64	46	s
Baghdad	60	47	c	63	47	s
Bangkok	86	68	s	85	68	pc
Beijing	37	12	s	37	14	c
Berlin	47	38	r	45	43	r
Brussels	52	46	c	52	47	r
Buenos Aires	77	57	c	77	61	s
Dubai	85	69	c	81	66	pc
Dublin	50	45	sh	48	31	sh
Edinburgh	47	42	c	48	34	sh

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	53	44	sh	51	46	c
Geneva	58	42	r	55	43	pc
Havana	69	61	c	67	60	r
Hong Kong	68	57	s	67	57	s
Istanbul	54	49	pc	54	45	pc
Jakarta	87	75	sh	85	74	sh
Jerusalem	58	47	sh	55	46	sh
Johannesburg	84	60	pc	86	57	pc
London	52	47	c	53	41	c
Madrid	56	45	pc	59	39	pc
Manila	81	74	c	81	73	c
Melbourne	74	55	pc	83	60	s
Mexico City	70	47	pc	61	47	sh
Milan	49	41	c	48	43	c
Moscow	36	11	sn	22	9	c
Mumbai	87	69	pc	85	67	pc
Paris	54	48	c	55	49	r
Rio de Janeiro	79	72	pc	81	73	pc
Riyadh	73	47	s	69	52	pc
Rome	64	48	c	64	47	pc
San Juan	85	73	pc	85	74	sh
Seoul	26	12	s	30	15	s
Shanghai	43	28	s	48	30	pc
Singapore	84	75	t	85	75	sh
Sydney	87	67	s	81	68	pc
Taipei City	61	48	pc	65	52	pc
Tokyo	54	40	s	52	40	c
Toronto	18	16	sf	27	16	sf
Vancouver	47	43	r	46	45	r
Warsaw	41	36	r	40	34	c
Zurich	51	40	sh	49	38	pc

The Premier League Is Set to Return

By JOSHUA ROBINSON

The biggest inconvenience an English Premier League season has ever known—greater than frozen pitches, TV blackouts or clubs going bankrupt—is finally over. It was known as the World Cup. And English soccer isn't wasting any time in pretending it never happened.

While La Liga in Spain is waiting till the end of next week to resume, and the German and Italian leagues are simply waiting until next year, the Premier League will storm back to life on Monday.

Never mind that it comes just eight days after the final in Qatar. Or that going from France vs. Argentina to Southampton vs. Brighton comes with a degree of whiplash. The players who were involved in the semis and final of the World Cup will take some time off now, but for everyone else, it's back to work.

In case you lost track of where we were this season when it went on hiatus five weeks ago, here's a quick reminder.

Previously on "The Premier League":

Arsenal (first place) was surprisingly good, Chelsea (eighth) was surprisingly bad. Liverpool wasn't the title contender everyone thought it might be. But Manchester City, lurking in second place, certainly was, thanks in large part to a goal scoring Dooms-



Man City's Erling Haaland returns to action after a long break.

day device named Erling Haaland—he has 18 goals in 14 games. Six different clubs, meanwhile, have already changed managers this season. And there could easily be another six shake-ups before the campaign ends in May. All of which amounts to a high ambient level of drama in soccer's most popular league.

The World Cup only created more chaos.

No club paid a higher price for things that were out of their hands over the past than Arsenal, whose first-choice Gabriel Jesus, sustained a serious knee injury while playing for Brazil in the group stage of the tournament. Arsenal manager Mikel Arteta hasn't given a time frame for his return, but Jesus is expected to be out for at least several more weeks following his surgery.

While many of his teammates were in Qatar, being bused around the desert, playing to tepid atmospheres and catching colds from the air-conditioning, Haaland had time to take a vacation and still return to Man City for an extra two weeks of practice and physical work. Liverpool's Mohammed Salah was in the same position.

There's one Premier League star who left for the World Cup in November and might not be seen again at the top level of English soccer. That's Cristiano Ronaldo, who was cut loose by Manchester United during the first week of the tournament while he was away with the Portuguese national team. He's currently looking for work and is considering the most lucrative contract in sports history from the Al Nassr club in Saudi Arabia.

FROM TOP: BRIAN FLUHR/GETTY IMAGES; MELISSA TAMEZ/ICM/SW/UMA PRESS



Movie Magic
How serendipity revived a forgotten Hollywood flop **B5**

EXCHANGE

Great Divide
Elon Musk is the tech world's 'living Rorschach test' **B2**



BUSINESS | FINANCE | TECHNOLOGY | MANAGEMENT

THE WALL STREET JOURNAL

**** Saturday/Sunday, December 24 - 25, 2022 | **B1**

DJIA 33203.93 ▲ 176.44 0.5% NASDAQ 10497.86 ▲ 0.2% STOXX 600 427.45 ▲ 0.04% 10-YR. TREAS. ▼ 21/32, yield 3.746% OIL \$79.56 ▲ \$2.07 GOLD \$1,795.90 ▲ \$8.90 EURO \$1.0617 YEN 132.79



Global Flow Of Goods Gets Back To Normal

The Covid-19 pandemic might not be gone, but the global supply-chain crisis it spawned has abated.

Goods are moving around the world again and reaching companies and consumers, despite some production snarls and Covid outbreaks

By Esther Fung, Costas Paris and Sharon Terlep

inside China. Gone are the week-long backlogs of cargo ships at large ports. Ocean shipping rates have plunged below prepandemic levels.

"It's obvious that freight rates peaked and began to normalize, driven by falling demand and an easing supply-chain congestion," said Soren Skou, chief executive of Maersk. In November, the shipping company lowered its 2023 forecast for container demand—a proxy for global trade. It now expects a decline from 2% to 4%, from a maximum decline of 1% previously.

In the U.S., retailers have ample inventory. Railroads averted a labor strike and package-delivery trucks have plenty of spare capacity. That bodes well for U.S. consumers heading into 2023, executives and analysts say, although profits for transport companies will be pinched now that demand and supply are back in balance.

"Just to remind us of where we Please turn to page B6

6 Ways to Protect Your Money in the New Year



More economic uncertainty is possible in 2023. Whatever the next 12 months bring, here are some simple steps to get your financial life in order now.



Market Chill Gives Lender Sixth Street An Opening

By MATT WIRZ

The credit crunch on Wall Street is forcing some of its biggest deal makers to turn to a little-known investment firm to bankroll their purchases: Sixth Street Partners.

Many banks and private-credit funds are tightening their purse strings after taking losses on big junk-rated loans that they committed to before debt markets seized up this summer. That leaves Sixth Street, which manages about \$65 billion, as one of the few outfits willing to write fat checks to finance corporate takeovers.

"We are definitely getting more inbounds," said Josh Easterly, Sixth Street's co-president. The catbird seat has been a long time coming to the firm, which turned mostly defensive on credit in 2019 as it prepared for a downturn and its competitors expanded rapidly.

Private-equity firms still want to buy companies as falling stock valuations have made them cheaper. Sixth Street won the top lending spot on three of the largest leveraged buyouts since September for purchases of Coupa Software; a unit of Emerson Electric Co.; and Maxar Technologies.

Please turn to page B10

The highest inflation in four decades. A bear market in stocks. Fears of a recession. A crypto implosion. The past year was a trying one for American households. It strained their budgets, reduced their spending power and clobbered their 401(k) balances. Despite a recent burst of positive news—moderating gas prices and a slowing pace of inflation—many believe the economy will be in worse shape in 2023 than it is now.



Whatever the next 12 months bring, there are some simple steps you can take now to prepare your finances for any further economic uncertainty.

Move cash to banking accounts that yield more in interest and charge less in fees. Cancel unused memberships and negotiate charges on those you keep. Review 401(k) contributions and allocations.

It might pay to act with urgency. Some financial benefits that could make a difference expire on New Year's Eve. Here are six money moves to consider making before breaking out the bubbly.

Please turn to page B4

Retailers Are in Need Of a Last-Minute Gift

By SUZANNE KAPNER

Lands' End has winter coats, fleeces and sweaters discounted by as much as 70% in a promotion lasting through Christmas Eve. Artificial Christmas trees are 25% off at Walmart, breaking with a tradition of not putting those items on sale until after the holiday. Tommy Hilfiger has everything on its website reduced by 50% through Tuesday.

Holiday discounts are back. Whether stores and sellers cut prices enough to save their season will be decided during a final flurry of shopping this weekend, ending with Christmas on Sunday.

The stakes are high for retailers, which are contending with

slowing consumer spending, a powerful winter storm that could damp traffic, a glut of merchandise and cost-conscious customers willing to wait until the final hours for the best deals. Higher discounts will come at the expense of profits, but chains don't want to risk being stuck with excess holiday goods in the new year.

"This will be one of those years where we're watching sales closely up until the last minute of Christmas Eve," Walmart Inc. Chief Executive Doug McMillon told analysts in November.

This holiday season nail-biter is a reversal from the past two years, when supply-chain backlogs and shipping delays created an urgency among consumers to shop earlier.

In some cases, retailers didn't have enough products to sell, which al-

Please turn to page B6



A woman eyes a handbag in a Manhattan store. This year, holiday shoppers are more willing to wait for deals.

PHOTO: SHINIA NASSERI FOR THE WALL STREET JOURNAL

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

WALT DISNEY CO.

Disney's "Avatar: The Way of Water" made a smaller splash than expected. The sequel to James Cameron's 2009 blockbuster earned \$435 million in theaters around the world in its debut, but the \$134 million in domestic ticket sales fell short of tracking estimates that projected earnings between \$150 million and \$175 million. The movie's ticket sales in China also fell short of expectations due to lingering concerns over the coronavirus—a result Disney described as disappointing given the runaway success of the first movie in the country. Disney shares **dropped 4.8% Monday**.

META PLATFORMS INC.

Meta's Facebook Marketplace is the target of antitrust charges from the European Union. The bloc's antitrust enforcer charged Meta with antitrust violations for allegedly distorting competition by tying its online classified ad service to its social network. The European Commission said Meta automatically gives Facebook users access to its Marketplace service, potentially pushing aside competing classified-ad services. The charges are part of a wave from the EU's antitrust regulators, including charges against Apple Inc. and a probe into Alphabet Inc.'s Google. Meta shares **fell 4.1% Monday**.

PERFORMANCE OF AIRLINE STOCKS THIS WEEK

Source: FactSet



UNITED AIRLINES HOLDINGS INC.

Airlines canceled thousands of flights as a severe winter storm brought freezing temperatures, gusty winds and snow across swaths of the country, disrupting one of the busiest travel weeks of the year. United Airlines and Southwest Airlines Co. made some of the biggest cuts. American Airlines Group Inc. also made some cancellations. United's shares **rose 0.3% Friday**.

GENERAL MILLS INC.

A pet-food mishap took a bite out of General Mills. The maker of Cheerios and Betty Crocker cake mix said sales rose 4% in its latest quarter, but in the pet segment, sales were unexpectedly flat. The company said results from its Blue Buffalo line of premium pet food, acquired in 2018, were affected by constraints on production capacity and retailers reducing inventory. Chief Executive Jeff Harmening said he thinks the issues will be short-lived, and that General Mills has brought on external manufacturing capacity for dry dog food and treats. General Mills **lost 4.6% Tuesday**.

WELLS FARGO & CO.

Wells Fargo set the sort of record no company would want. The bank reached a \$3.7 billion deal with regulators to resolve allegations that it harmed more than 16 million people with deposit accounts, auto loans and mortgages. The settlement with the Consumer Financial Protection Bureau includes a \$1.7 billion penalty, the agency's largest-ever fine, and more than \$2 billion in consumer restitution, the regulator said Tuesday. The consumer watchdog agency said Wells Fargo illegally assessed fees and interest charges on loans for cars and homes. Its shares **fell 2% Tuesday**.

3M CO.

3M is saying goodbye to forever. The company said Tuesday it would stop making "forever chemicals" and cease using them by the end of 2025, as criticism and litigation grow over the chemicals' alleged health and environmental impact. 3M CEO Mike Roman said the decision was influenced by increasing regulation of perfluoroalkyl and polyfluoroalkyl substances, which take a long time to break down in the environment. The chemicals are used to make nonstick cookware, food packaging and other consumer and industrial products. Shares of 3M **fell 1.1% Tuesday**.

TESLA INC.

Elon Musk is putting the brakes on Tesla share sales. The chief executive signaled on a Twitter Spaces call Thursday that he would not sell any stock of the electric vehicle maker for a minimum of 18 months. He has liquidated more than \$39 billion in shares since the stock peaked in November 2021. He also tried to strike an upbeat note about the company's long-term prospects while concerns grow about demand. Tesla is offering rare discounts for buyers to take delivery of vehicles before year-end. Tesla shares **fell 1.8% Friday**.
—Francesca Fontana and Erik Holm

KEYWORDS | CHRISTOPHER MIMS

How Elon Musk Is Dividing Silicon Valley's Elite

'This isn't business for them—it's personal, it's political, it's philosophical'



Elon Musk has sometimes seemed like the person Silicon Valley would create if venture-funded engineers figured out how to build humans in a lab: the bold innovator fearlessly disrupting one industry after another with a nerdy verve.

And yet these days, Silicon Valley's investors, leaders and commentators are profoundly divided about tech's billionaire icon, in ways that are revealing about Mr. Musk and about the state of the industry.

Mr. Musk's hurly-burly two-month tenure as Twitter's owner and self-described "chief twit" has made him a cultural fault line among tech's elites, estranging some old allies while also forging new connections. Some people in both categories feel that Mr. Musk's Twitter experiment could have important long-term implications for how tech companies are managed. Much depends on whether one of the world's most influential social-media platforms can survive, or even thrive, after it shed most of its staff and made a series of drastic moves—along with more than a few missteps.

Some techies believe that Mr. Musk's track record of swiftly and profoundly transforming not just companies but entire industries, such as cars and rockets, means that his methods are effective, even if they include rapid experimentation of a sort that many find capricious and, for employees, alienating.

When it comes to Mr. Musk's latest actions at Twitter, "I think very few people are able to look past the tree and see the forest," says Adam Dell, founder of wealth-management startup Domain Money. "I think it's wonderful we get to live in a period in history when we can witness an individual of the caliber of a Thomas Edison, who is so prolific an innovator that he's moved our technological capabilities forward by leaps and bounds," he adds. Mr. Dell, brother of tech tycoon Michael Dell, has been acquainted with Mr. Musk since, as a venture capitalist, he handed the entrepreneur a term sheet 25 years ago proposing an investment in a Musk-led company that became part of PayPal.

Other Silicon Valley leaders say that Mr. Musk's actions at Twitter show that he succeeds in spite, not because of, many of his traits, and that whatever he accomplishes, his impact on the culture of tech is in many ways negative.

"I think Elon has a special kind of genius that allows him to create some of the most exceptional things ever created, and also I think he needlessly role-models indifference to suffering," says Roy Bahat, head of Bloomberg Beta, an early-stage venture-capital firm that is backed by Bloomberg LP. Mr. Bahat, who calls Mr. Musk a "living Rorschach test," says his opinions on Mr. Musk have sometimes led to tension with



others in the tech industry.

The debate over Mr. Musk centers, in part, on the classic question of whether the ends justify the means. Are his most outrage-inducing actions—attempting to ban promotion of other social-media platforms, suspending the accounts of journalists, and publicly smearing a former employee to the point the man flees his home for fear of his safety—unacceptable under any circumstances?

Or are they acceptable side effects if he succeeds in turning Twitter into the money-making, free-speech-protecting and generally enjoyable town square he aspires to build? That would, after all, complete a remarkable entrepreneurial hat trick, after accelerating the decarbonization of the world's energy system (at Tesla, his electric-vehicle company) and getting humanity closer to becoming a multiplanetary species (at SpaceX, his rocket company).

Complicating this debate is that Mr. Musk's successes on those other

fronts don't look quite as lustrous as they used to. Tesla's stock has taken a pounding as Mr. Musk has sold more than \$39 billion of it since November of last year, in part to fund his purchase of Twitter, and NASA has begun asking whether his actions at Twitter are a distraction from the life-or-death matters which are the domain of SpaceX.

Some of Mr. Musk's leadership strategies at Twitter are broadly recognizable for tech investors and entrepreneurs, even if his approach is extreme. Take the mid-November email he sent in the wee hours soon after completing his \$44 billion acquisition, telling employees that "to build a breakthrough Twitter 2.0 and succeed in an increasingly competitive world, we will need to be extremely hardcore." The same email asked employees to pledge to work to their utmost, and those who didn't sign the pledge were let go.

The history of Silicon Valley—and tech in general, going back all the way to the days of Edison—is

full of periods of extraordinary effort on the part of a relatively small number of dedicated engineers. And Mr. Musk has used a similar playbook at Tesla, especially during its "production hell" phase in late 2017, when many predicted that Tesla wouldn't make it.

How much employees should work and sacrifice during an industry-wide downturn would not normally be a question of broad interest, but it becomes one when refracted through the lens of Mr. Musk's politics, communication style, and rapid-fire decision-making.

"You know how you have friends that are either on the left or right, and you know they can only have one type of opinion because, for them, politics is a cause that cannot fail?" says Brian McCullough, general partner at the Ride Home Fund, an early stage investment fund connected to a podcast he produces of the same name that is popular in tech circles. "Elon in Silicon Valley circles has become a little like that."

The broad ambivalence toward Mr. Musk's most recent decisions about managing Twitter was evident in public commentary from Paul Graham, a prominent venture investor and co-founder of storied startup incubator Y-Combinator. In mid-November, he defended Mr. Musk. "It's remarkable how many people who've never run any kind of company think they know how to run a tech company better than someone who's run Tesla and SpaceX," he tweeted, adding "In both those companies, people die if the software doesn't work right. Do you really think he's not up to managing a social network?"

When Mr. Musk this past Sunday banned the practice of linking to a list of outside sites, including rivals Facebook, Instagram and Mastodon, Mr. Graham proclaimed frustration. "This is the last straw. I give up.

You can find a link to my new Mastodon profile on my site," he tweeted, referring to the upstart social-media platform that has become a haven for those who have decided Twitter is no longer for them. His Twitter account was soon suspended.

Mr. Graham didn't respond to a request to comment, but on Mastodon, he published a brief note to reporters: "I think it will be a relief to Elon to go back to focusing on cars and rockets. Those are arguably more important problems anyway. And he could still do good things for Twitter too, if he hires the right CEO."

Mr. Musk quickly said the link-ban policy was a mistake, and Twitter retracted it. Mr. Graham's Twitter account was restored, and he has since resumed tweeting.

Alex Stamos, former chief information security officer at Facebook and currently a researcher at Stanford, recently predicted on the Dead Cat podcast—another popular one about Silicon Valley—that we will soon see a bursting of what he has called "the Musk bubble." The compounding challenges at Twitter—its struggles to retain its most influential users, make money or even continue to operate—will convince more people that Mr. Musk is simply unsuited to running a social-media company, he said. What follows will be a swift drop in Mr. Musk's personal brand, with fewer people willing to defend his actions, said Mr. Stamos, who did not respond to requests to comment.

Of course, a big part of what's divisive about Mr. Musk isn't just how he runs Twitter, it's what he says on the platform. His extreme visibility, and willingness to expose both the goings-on at Twitter and his thoughts about them, not to men-

Like countless public figures before him, Mr. Musk is now as much a symbol as he is a person.

tion a whole host of other issues, creates a spectacle people can't help but have opinions about.

"Anyone who is placed under such an intense microscope is going to elicit negative reactions from some," says Mr. Dell. "He also has done a few things that he probably, with a bit more reflection, would have chosen to do differently, but that's just how the guy rolls."

Like countless public figures before him, Mr. Musk has become as much a symbol as a person. For many, he represents a bygone era in tech, when employees were pushed to their limit, rather than coddled with nap rooms and unlimited snacks. For others, he represents a part of tech that is out of touch with today's reality of scarce talent.

When discussing Mr. Musk's actions, "Some people in tech are like: 'There's no chaos! This is all 10th-dimensional chess!'" says Mr. McCullough. "And you want to be like, 'C'mon. It's a bit chaotic.' But then you realize, this isn't business for them—it's personal, it's political, it's philosophical. Elon is a cause that cannot fail, in their mind."



Stanford's Alex Stamos, left, predicts 'the Musk bubble' will soon burst. Bloomberg Beta's Roy Bahat calls Mr. Musk a 'living Rorschach test.'



BUSINESS NEWS

Huawei Extends License Deal With Nokia Despite Sanctions

By DAN STRUMPF

HONG KONG—Huawei Technologies Co. and Nokia Corp. reached a deal to continue licensing smartphone and networking technology to each other, reflecting the challenges in unwinding the Chinese company's technology from global networks despite years of U.S. sanctions.

The patent-licensing agreement announced Friday between the two companies extends a five-year-old technology-sharing deal that had been set to expire this year. It comes weeks after Huawei unveiled a licensing agreement for 5G technology with Chinese smartphone rival Oppo Mobile Telecommunications Corp.

The deal underlines how embedded Huawei's intellectual property remains in global networks despite U.S. sanctions that have effectively locked it out of numerous Western markets.

Huawei is one of the largest holders of wireless-technology patents globally and was a key player in the years-long process of setting 5G wireless standards, essentially guaranteeing that Western companies must license its technology to build 5G networks, and vice versa.

Huawei was previously one



The deal underlines how embedded Huawei's intellectual property remains in global networks. A Huawei booth at an expo in China.

of the world's top smartphone and networking companies until U.S. restrictions blocked the company's access to advanced chips.

Neither Huawei nor Nokia disclosed financial terms or specifics about the technologies being licensed in their deal announced Friday. Both companies are major holders of what are known as standard essential patents covering technology needed in the construction of wireless networks or gadgets used to connect to them.

Such cross-licensing agreements are common in the in-

dustry and don't typically involve money-changing hands, said Hosuk Lee-Makiyama, director of the European Centre for International Political Economy, a Brussels-based think tank. Instead, they pave the way for companies to continue to sell existing products free from the threat of litigation, he added. "It's almost like a peace treaty—you agree not to sue each other," he said.

Still, Huawei has sought to leverage its large hoard of intellectual property to boost revenue as other lines of business have suffered. In 2022,

the company has said it expects to generate more revenue from licensing its technologies than it pays to other companies for the second straight year.

Earlier this month, Huawei said it had reached a cross-licensing agreement with Oppo, which covered cellular patents. The company said this year it had signed or extended more than 20 patent-licensing agreements covering an array of technologies including smartphones, networking equipment and connected vehicle technology.

Over three years from 2019 to 2021, the company reported \$1.3 billion in revenue from patent licensing—a fraction of the roughly \$99 billion in revenue it generated last year. In 2021 alone, Nokia generated €1.5 billion, equivalent to \$1.6 billion, from patent licensing.

Huawei last year reported a 29% drop in revenue, as the effects of U.S. sanctions took a toll on its smartphone business.

Huawei's 5G telecom business was blocked in a number of Western countries under pressure from the U.S., which regards Huawei equipment as vulnerable to espionage or disruption by the Chinese government. Huawei has denied its equipment is a threat.

FAA Staff Frets About Oversight Of Southwest

By ANDREW TANGEL AND ALISON SIDER

An internal Federal Aviation Administration survey found concerns among some inspectors about the agency's approach to overseeing Southwest Airlines Co., according to documents viewed by The Wall Street Journal.

About three-quarters of respondents said the culture in the FAA's Dallas-area office that oversees Southwest hasn't improved in recent years, after concerns had been raised regarding its oversight of the airline, according to an internal November survey report. Some respondents questioned the office's commitment to safety, the documents showed.

The Transportation Department's inspector general, the Senate Commerce Committee, and an FAA agency auditor have documented lapses in the FAA's oversight of Southwest in recent years. The FAA in 2019 removed three senior managers at its Southwest office following allegations of lax safety enforcement by the office.

An FAA spokesman said the agency is "committed to continuous improvement based on employee feedback."

"Southwest maintains a culture of compliance, recognizing

the safety of our operation as the most important thing we do, and any implication that we would tolerate a relaxing of standards is unfounded," a Southwest spokeswoman said.

Fourteen of the survey's 18 respondents said they disagreed or strongly disagreed that the office's culture has improved over the past two years. Seven of the respondents expressed disagreement that the office was committed to aviation safety, according to the FAA survey report. Some responses said FAA managers at the Dallas-area office don't listen to concerns raised by front-line inspectors, and instead seem more interested in pleasing the airline. Other comments offered a more optimistic view. One respondent said the FAA office can get sidetracked but "overall, I see safety as the priority."

The Transportation Department's inspector general in 2020 found "a number of concerns and gaps regarding FAA's safety oversight of Southwest Airlines." The report found that the FAA had failed to intervene and prevent Southwest from flying used planes that lacked complete documentation of inspections and repairs, and that the airline often communicated incorrect luggage-weight data used for takeoffs and landings.

Musk's SpaceX Stake Falls Below 50% But He Retains Grip on Voting Rights

By MICAH MAIDENBERG

Elon Musk's ownership stake in SpaceX has declined in recent years but the chief executive has kept control over the rocket company he founded two decades ago, regulatory filings show.

A trust associated with Mr. Musk owns 42% of SpaceX, according to a document the company filed last week with the Federal Communications Commission, which regulates its Starlink satellite-broadband unit. The trust had held a 54% stake as of November 2016, a filing from then shows.

Mr. Musk's trust controlled 78% of the voting rights at SpaceX, according to an FCC filing, a proportion that has been steady since November 2016, according to other documents the company filed with the telecom regulator.

It isn't uncommon for founders to see their ownership stakes in the companies they create fall over time as they keep control over voting rights, according to academics who study venture investing and private companies.

Mr. Musk didn't respond to a request to comment. A spokesman for Space Exploration Technologies Corp., the formal name for the Hawthorne, Calif., company, also didn't respond to a request to comment.

Mr. Musk's financial situation has gained increased attention because of his purchase of Twitter Inc. in a deal valued at \$44 billion. Mr. Musk has said he has been slashing costs there to turn around the social-media company, which has been losing money.

The SpaceX executive, who also leads Tesla Inc., founded SpaceX in 2002, using capital he gained after what is now PayPal Holdings Inc. was sold.



As a closely held company, SpaceX doesn't disclose financial results in securities filings.

SpaceX has built a fleet of rockets that government and commercial customers hire for launches as well as Starlink, which the company said has more than one million active subscribers.

In a court filing from early last year, the company's lawyers said it had more than 9,500 employees; SpaceX advertised around 1,000 open positions on its careers website as of this month.

Mr. Musk recently said in a tweet that he continues to oversee SpaceX and Tesla, but he said that teams at both companies are so good they often don't need his input.

Some Tesla investors have expressed frustration with Mr. Musk's focus on Twitter. The top official at the National Aeronautics and Space Administration said he asked Gwynne Shotwell, SpaceX's president, if Twitter would distract from the company's mission. Ms. Shotwell said it wouldn't.

Though his ownership stake has fallen, Mr. Musk retains significant control over SpaceX's strategic decision-making and future, in part given his voting rights, said Angela Lee, a professor of professional practice at Columbia Business School and a startup investor.

As a closely held company, SpaceX doesn't disclose financial results or provide details about operations in securities filings the way companies with shares that trade publicly do. Ownership information is also more limited.

Earlier statements from SpaceX, investor disclosures, data trackers and corporate filings show that outside investors have acquired shares in the company as it stepped up its fundraising efforts in recent years.

SpaceX has around 150 investors, according to PitchBook, which tracks venture capital and other deals.

At Twitter, Question Of Succession Drives Speculation, Mystery

By ALEXA CORSE

Elon Musk's stated plan to find someone to succeed him as Twitter Inc.'s chief executive officer has set the billionaire up with the thorny task of identifying a candidate for a job he has said isn't desirable.

Running Twitter would be a tall order under any circumstances. It was a consistently money-losing business before Mr. Musk acquired it in October, and is now in the middle of broad tumult in its industry. Meanwhile, many advertisers, Twitter's main source of revenue, have stopped spending since Mr. Musk's arrival, and he has made a rash of changes, some of which he reversed. Mr. Musk has a collection of Silicon Valley friends and allies who provided advice during the run-up to his acquisition or since he took over—though none has been publicly named as a Twitter executive.

Among them have been the tech investor Jason Calacanis; the Andreessen Horowitz general partner and former Twitter product executive Sriram Krishnan; and the investor and former technology executive David Sacks. They have said they sought to help shortly after the acquisition but described their involvement as limited and temporary during the initial transition period.

Messrs. Calacanis, Sacks and Krishnan didn't respond to requests for comment. Mr. Calacanis, an early investor in Uber Technologies Inc., recently posted his own Twitter poll—with emojis suggesting it was in jest—asking whether he or Mr. Sacks or someone else should be Twitter's next CEO. The "Other" category got the most votes. Mr. Calacanis later tweeted, again with the emojis: "Who would like the most miserable job in tech AND media?! Who is insane enough to run twitter?!?"

Mr. Calacanis told Mr. Musk in April that being CEO of Twitter was his "dream job," according to messages disclosed as part of a legal fight in Delaware over Mr. Musk's takeover. When someone tweeted suggesting that Joe Lonsdale, another technology investor, would be the Twitter CEO, Mr. Lonsdale responded: "Lol no thanks." Mr. Lonsdale later declined to comment.

Mr. Musk's poll spawned a range of purported volunteers, from a Massachusetts Institute of Technology research scientist to Snoop Dogg. The rapper conducted his own Twitter poll, asking, "Should I run Twitter?" It elicited 3,398,119 votes, with 81% saying yes.

"Can I be the new Twitter CEO?" tweeted the YouTube star known as Mr. Beast, who has previously tweeted that he wanted "to be Elon one day." Mr. Musk replied Thursday, "It's not out of the question."

Whoever ends up as CEO will be both Mr. Musk's employee—as he is the owner—and, notionally, his supervisor, as he tweeted Tuesday that he plans to continue running "the software & servers teams."

For all the public mystery surrounding who could take over the CEO role, the company has made some headway replenishing the ranks of managers lower down in the organization who help keep it running. They have included a collection of Twitter employees and veterans from elsewhere in Mr. Musk's diverse business empire.

The following people are among those who have taken on more prominent roles in recent weeks after other Twitter executives were ousted or left, from advertising sales to product changes and content-moderation decisions.

Ella Irwin was named Twitter's head of trust and safety last month and has become a public voice seeking to explain Twitter's content-moderation

The YouTube star Mr. Beast tweeted: 'Can I be the new Twitter CEO?'

changes under Mr. Musk. While many content-moderation researchers have questioned and criticized such changes, Ms. Irwin said in a recent interview with The Wall Street Journal that Twitter was giving priority to safety.

Chris Riedy, the company's new head of global advertising sales, started in Twitter's San Francisco office and most recently was based in Dublin, where he led Twitter's advertising business in Europe, the Middle East and Africa.

Esther Crawford, a Twitter product executive, has worked on Mr. Musk's most significant product change so far—the revamped Twitter Blue subscription service, which relaunched this month after several false starts.

Engineers from Tesla Inc., where Mr. Musk is CEO, were brought in to work on reshaping Twitter, according to records viewed by the Journal and people familiar with the matter.

Meta Settles Suit Over Privacy for \$725 Million

By SAM SCHECHNER

Facebook parent Meta Platforms Inc. agreed to pay \$725 million to settle a lawsuit that accused the company of allowing Cambridge Analytica and other third parties to access private information about millions of users.

The proposed settlement would fund payouts to U.S.-based users of Facebook, in what plaintiffs say could be the largest U.S. class-action privacy settlement ever, according to a court filing late Thursday.

Meta had agreed in principle to settle the case in August, but no financial details had been

disclosed. A final agreement was hammered out Thursday, and now awaits approval by the court, the court filing said.

A Meta spokesman said Friday that the settlement is "in the best interest of our community and shareholders." The company said that it has in the last three years "revamped our approach to privacy and implemented a comprehensive privacy program."

The suit stemmed from revelations that Cambridge Analytica, a now-defunct British consulting firm that worked on former President Donald Trump's 2016 campaign, had improperly obtained and ex-

ploited Facebook user data. Meta later disclosed that data about as many as 87 million Facebook users may have been affected, including more than 70 million in the U.S. Following the incident, Meta, then known as Facebook, agreed to pay fines in the U.S. and U.K. It also made changes to its privacy practices under a \$5 billion settlement in 2019 with the U.S. Federal Trade Commission.

As part of the FTC agreement, Meta implemented new oversight of data practices and agreements, including a restructuring of its board of directors to boost oversight of privacy practices. The FTC in-

vestigation centered on whether Cambridge Analytica's access to information violated a 2012 consent decree with the agency under which the social-media platform had agreed to better protect user privacy.

Cambridge Analytica shut down after the allegations surrounding Facebook data. The company had won political-consulting work in the U.S. by offering to use data to profile and influence voters with political messages that took advantage of their deepest fears and desires. But some former clients of the company said it had struggled to make good on its bold claims.

EXCHANGE

How to Protect Your Money in the New Year

Continued from page B1

1.
EARN MORE ON
YOUR SAVINGS

Keeping your cash in a typical savings account right now is only marginally better than stuffing it under a mattress. The average annual interest rate on savings accounts at all banks is 0.268%, according to the financial site DepositAccounts.com, meaning \$1,000 in savings will yield barely



enough to buy a slice of pizza.

Some of the lowest rates are at the biggest institutions. Customers of the five largest U.S. banks could have earned \$42 billion more on their balances in the third quarter just by moving their cash to higher yielding accounts at other banks, by one estimate. Some online-only accounts, for example, pay rates around 4% and can be linked to an existing account for easy transfers.

The payoff involved in moving your cash away from the biggest banks is currently greater than at any point in the last decade, according to Ken Tumin, the founder of DepositAccounts, which is owned by the financial-services marketplace LendingTree.

True optimizers might appreciate MaxMyInterest, a service that, in exchange for a 0.08% annual fee on their holdings, monitors which banks offer the highest interest rates and allows customers to reallocate their cash

Keeping your cash in a typical savings account right now is only marginally better than stuffing it under a mattress.

accordingly on a regular basis.

For those willing to sacrifice some liquidity, one of the best risk-free returns right now comes from inflation-adjusted I Bonds, which currently pay out 6.89%, but must be held for at least a year. Americans can buy up to \$10,000 of these U.S. government-backed savings bonds each calendar year, so those who want to max out their purchases should do so before January, says Mr. Tumin. The interest rate on these bonds is based on a calculation tied to the consumer-price index, one reason they became popular this year as inflation surged.

After I Bonds, Mr. Tumin suggests considering certificates of deposit or Treasury securities, some of which offer higher rates than those of the top online savings accounts; for instance, a six-month T-bill purchased Friday would yield about 4.67% on an annualized basis. That said, temporarily tying up your money could mean missing out on better yields soon if the Federal Reserve continues to raise rates.

Finding a home for your cash that pays higher yields won't make you rich, but it can give you some protection from inflation, says Gary Zimmerman, the CEO of MaxMyInterest. Even some of the best options have still been outpaced by inflation recently. "The real return on cash may be negative, but it would be even more negative if you're

complacent about where you keep your cash," he says.

—Joe Pinsker

2.
SWITCH YOUR
BANK ACCOUNTS

Banking changed dramatically over the last two decades, but chances are the institution you bank with hasn't. Americans stick with the same primary checking and savings accounts for about 17 years on average, according to a Bankrate survey. That is longer than the average marriage.

It is worth regularly shopping around to make sure you're still getting the best deal, says Greg McBride, chief financial analyst at Bankrate.com, particularly if you are paying any ATM or monthly maintenance fees. It is now easy to find a bank that offers those services free, he said, and the benefits could outweigh the inconvenience of switching institutions.

For example, customers who typically carry a low balance in their checking account may benefit from choosing accounts with an extended overdraft grace period. One institution, Citizens Financial Group, added a feature to some of its checking accounts that gives customers who overdraft until 10 p.m. the following business day to cover the negative balance to avoid fees.

A customer who has more than \$250,000, which is the maximum amount per depositor that is insured by the Federal Deposit Insurance Corp., may also benefit from switching to a brokerage that can offer more insurance coverage by partnering with mul-



ple FDIC-regulated banks. One brokerage giant, Fidelity Investments, allows customers to hold up to \$3 million in insured deposits in its cash management account through partnerships with 26 banks.

Many new financial-technology companies offer even more specialized features bundled with checking accounts. LiliApp Inc., an online-only bank for gig-economy workers and entrepreneurs, includes a tax-write-off tracker with its checking account. Majority, a digital bank for migrants, offers unlimited international transfers as part of its monthly subscription fee.

—Imani Moise

3.
CANCEL YOUR
SUBSCRIPTIONS

This time of year many Americans sign up for gym memberships as part of a resolution to lose a few pounds. It is also a good time to cancel unused memberships to shed a few bucks from your budget.

The average American spends

Americans stick with the same primary checking and savings accounts for about 17 years on average, longer than the average marriage



more than \$200 a month on subscription fees and underestimates the cost by roughly \$130, according to a study by C+R Research this year. Roughly three-quarters of consumers say it is easy to forget about recurring charges and 42% admitted that they were still paying for a subscription they had forgotten about.

The monthly costs associated with streaming services, subscription boxes, gym memberships and mobile apps have all crept higher over the past year, according to data from Rocket Money, which operates a personal finance app that tracks spending. Subscription spending among Rocket Money members increased an average of 8.5% this year compared with 2021. Once you authorize a company to take recurring payments from your account, they can change the price without asking permission, making it easy to lose track of exactly how much you are spending.

This is a good moment to take stock in the recurring payments you may have forgotten, said Yahya Mokhtarzad, chief revenue officer at Rocket Money. "This year more than recent years, it is important to not just take stock of your finances but to really cut unneeded expenses and brace for what could be a tough 2023," he said.

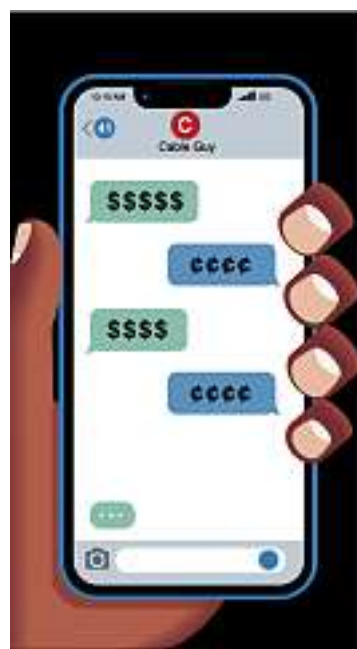
—Imani Moise

4.
RENEGOTIATE
YOUR BILLS

For all the recurring bills you cannot cancel, pick up the phone and negotiate.

Cable companies and wireless providers may be willing to lower your bill since it costs more to acquire a new customer than to keep an existing one, said Ted Rossman, a consumer-spending analyst at Bankrate.

Don't be afraid to ask the company for your old rate back or to match a competitor's price, he said. There is often an unadvertised retention discount to keep customers from canceling. You can also request any deals and



discounts being offered to new customers, even if you're a long-time subscriber, he said.

If you're asking for a lower rate with a service provider such as your wireless company, be aware that you may be offered a promotional rate that increases significantly after an initial period expires, said Sophie Rase-man, head of financial solutions at Brightside, a company that provides financial guidance to workers. Set a reminder to cancel or downgrade then, she said.

Another way to cut costs is to

ask that certain fees be removed from your statement. These charges include line items on your phone, internet, or cable bill and may appear as "other fees."

If your first attempt to negotiate isn't successful, call again on a different day as you may have more success with a different customer-service representative, said Bruce McClary, senior vice president at National Foundation for Credit Counseling.

—Veronica Dagher

5.
CHECK YOUR
401(K)

The standard advice for retirement plans is to let them run on autopilot and to resist the temptation to check your account and make changes when markets are down.

But at least once a year, it pays to log into your accounts



and review your savings rate, investment mix and the types of tax-advantaged accounts you use. The S&P 500 stock index is down 19.3% this year through Friday and U.S. intermediate-term bond funds are down 12.4%; investors should rebalance if their asset allocation has strayed from their long-term targets.

The Internal Revenue Service recently raised the annual 401(k) contribution limit \$2,000 to \$22,500 for 2023, the largest increase ever in terms of dollars and percentage, according to benefits provider Milliman. For those 50 or older, the 2023 limit rises to \$30,000.

"You should avoid checking too often, based on what the market did that day, but you need to check in periodically to make sure your choices are still aligned with your long-term retirement goals," said Mike Shamrell, a vice president at Fidelity Investments.

As inflation strains budgets, some Americans have had to make temporary reductions in 401(k) savings. The good news: The impact of doing so—even for a few years—isn't as big as you might think, provided you have a plan to catch up later.

For those able to save more, the higher contribution limits create an "unprecedented opportunity," said Ed Slott, a certified public accountant and IRA specialist in Rockville Centre, N.Y.

More investors with money in workplace retirement plans now have the option of choosing between a traditional 401(k), where contributions are deducted and withdrawals are taxed, and a Roth 401(k), where contributions are taxed and distributions can be tax-free. Workers can also divide their 401(k) contributions between the two.

Using some of each could pay off down the road. One advantage to putting some money into a Roth is that retirees can pull money out tax-free in years when dipping into a regular 401(k) would push them into a higher bracket.

—Anne Tergesen

6.
DON'T WAIT UNTIL
IT IS TOO LATE

It doesn't pay to procrastinate. A number of important financial benefits that could improve the position of your household in 2023 expire on New Year's Eve.

Make your financial gifts: Families can give gifts of up to

\$16,000 to an unlimited number of people without triggering estate or gift tax. That amount, known as the annual exclusion, jumps to \$17,000 for 2023.

Many Americans sign up for gym memberships this time of year. It is also a good time to cancel unused memberships to save money on recurring charges.

A special rule lets donors use five years worth of annual exclusion gifts at once to superfund 529 college savings plans, which let parents, grandparents and others invest money to be used for a beneficiary's qualified education expenses. That works out to \$80,000 per beneficiary account for 2022.

"Paying for education is a really efficient way to transfer wealth," says Elisa Shevlin Rizzo, a chief fiduciary officer for Northern Trust Wealth Management in New York.

A separate rule lets individuals pay anyone's qualified education expenses and medical bills without estate or gift tax consequences if they make payments directly to the school or medical provider.

Donors who give away more than \$16,000 to anyone must report the gifts on a federal gift tax return, Form 709. Any excess amount counts toward the amount you can give during your lifetime, or at death, and be exempt from federal estate and gift taxes. That exemption is \$12.06 million per person for 2022, and rises to \$12.9 million for 2023.

Use your healthcare accounts: Many workers have bigger balances than usual in their workplace healthcare flexible-spending accounts, which allow employees to set aside pretax money from their paychecks to pay for medical expenses, because of special



Covid-related FSA carry-over rules. Now they are facing a Dec. 31 deadline to use their money or forfeit it. Check your FSA balance and your plan's spend down rules now.

Take your losses: This year's painful selloff brings an opportunity for investors to harvest losses in their brokerage accounts. Taxpayers who sell investments, including crypto, at a loss through Dec. 31 can offset gains on winners and up to \$3,000 of ordinary income on their 2022 tax return. Unused losses carry over to future years.

Make your required withdrawals: In most cases, taxpayers 72 and older must take annual required minimum distributions, or RMDs, from traditional individual retirement accounts and 401(k)s by Dec. 31 or face a penalty of 50% of the amount they should have withdrawn. One exception: Those who turned 72 this year can wait until April 1, 2023, to take their first RMD. Inherited IRAs, both traditional and Roth, have RMDs too, with special rules for IRAs inherited in 2020 or later. A bill passed by Congress Friday raises the RMD age to 73 in 2023 and 75 in 2033 and reduces the penalty for missed RMDs.

—Ashlea Ebeling

EXCHANGE

SCIENCE OF SUCCESS | BEN COHEN

The Christmas Movie That Became a Classic By Mistake

These days, it's a big holiday hit. But for 28 years, it was a bigger flop.



The movie had every ingredient of a hit when it opened right before Christmas. By the new year, it was a flop. In fact, when the copyright on this film expired, nobody even bothered to renew it. It was so forgettable that it was quite literally forgotten.

This is also the reason that people are still watching "It's a Wonderful Life."

It might very well be the most iconic Christmas movie. It became that way by accident.

"It's a Wonderful Life" fell into the public domain once the copyright lapsed 28 years after its release, and television stations began running the film around the clock because it didn't cost a penny. It wasn't Frank Capra or Jimmy Stewart or the enduring power of cinema that made it a lasting success. It was neglect. "The damndest thing I've ever seen," Capra himself once said.

A movie becoming a classic simply because of a quirk of copyright law is a timely reminder of the role of mishaps, errors and serendipity in modern success. Wall Street, Silicon Valley and so many industries in between are built on the idea that success can be predicted. But no amount of data, financial resources or technological ingenuity can eliminate the mysteries of chance. It's one of the most powerful forces in business, and it's beyond anyone's control.

You don't always know why something might work—and sometimes it works for reasons you wouldn't have guessed.

When the microbiologist Alexander Fleming famously went on holiday in 1928, he left a dish of bacteria sitting around his London lab and returned two weeks later to a patch of "mold juice," which became known by another name: penicillin. He won the Nobel Prize, saved countless lives and made an indisputable case for two-week vacations. Never has one man's forgetfulness been so useful.

The origin story of another elixir goes back to San Francisco on a frigid evening in 1905, when a boy named Frank Epperson mixed soda powder and water in a cup with a stirring device. There was nothing original about the concoction until he forgot to bring his treat inside for the night. The next morning, it was frozen. It was also delicious. His completely inadvertent creation is called a Popsicle.

Penicillin and Popsicles. Serendipity has clearly transformed the world.

But what *is* serendipity?

Few scholars spent more energy trying to answer that question than Robert K. Merton, a titan of sociology, who collected notes and corresponded with other luminaries about the subject for much of his life. His archives were voluminous enough to be worthy of their own study. So a few years ago, Ohid Yaqub, a senior lecturer at the University of Sussex Business

School, decided to spend a few months exploring Merton's files, tallying hundreds of serendipitous inventions throughout history.

Before he could publish his findings, Dr. Yaqub first had to settle on a definition for serendipity, which he describes as the phenomenon of discoveries that are "unexpected and beneficial."

There have been many innovations born under peculiar circumstances that most people would describe as mistakes. The paper that Dr. Yaqub wrote based on his analysis of Merton's archive identifies dozens of these breakthroughs that owe their existence to goofs. Some came from substances that

were dropped or spilled, others from scientific equipment that was broken or the source of human blunder. A curious part of success is how much of it comes from lucky errors.

Which brings us back to Christmas movies.

It's around this time of the year when Americans return to a certain black-and-white film released in 1946. The demand for "It's a Wonderful Life" on streaming platforms and linear networks over the past four holiday seasons was 11 times greater than the average movie, according to the research firm Parrot Analytics. It's easily the oldest title in Parrot's top 10

and right up there with "Home Alone" among the Christmas movies we can't stop watching.

That is odd for many reasons. For one thing, it's not exactly "Elf." It was a dark movie about a financially devastated businessman who meets a guardian angel and peeks at a world in which he never existed. It was also a disappointment. This was a film by a legendary director featuring the postwar comeback of a huge star, and the publicity blitz included the cover of Newsweek and a Life magazine spread. But it fizzled at the box office. "It's a Wonderful Life" actually lost money, according to film historian Richard B. Jewell, before

eventually fading into obscurity.

It would take nearly three decades for it to be saved by a Hollywood miracle.

At the time, movies were protected by copyright for 28 years, and the copyright holder could fill out paperwork to renew it for another 28 years. It was annoying, but that was the point. "If you wanted to keep making money on it," said Harvard Law School professor Rebecca Tushnet, "it was a reasonable thing to ask that you renew it."

Those incentives were only powerful in theory. In reality, this movie wasn't making money for anybody, so nobody renewed the copyright. "It's a Wonderful Life" entered the public domain in 1974.

The closest that a movie could get to declaring itself a failure also happened to explain its unlikely turnaround. TV stations could suddenly run it whenever they pleased, which was roughly all the time around the holidays, as they came to realize the only programming better than a Christmas movie was a free Christmas movie.

Weird stuff like this still happens. TikTok is a time machine for excavating culture. "Running Up That Hill," a song from 1985,

Accidents, chance and serendipity can be crucial to success. So can a forgotten copyright.

sprinted up the charts in 2022 because of Netflix. There are improbable revivals that smack of being stunts engineered for social media by marketers armed with data who know precisely what they're doing.

"It's a Wonderful Life" was different. This was serendipity.

The unplanned series of events behind the film's second life wouldn't have unfolded in the same way today. Movies are now protected for at least 95 years, no matter how many people might forget about them. Meanwhile, a studio began enforcing some of the old copyrights associated with "It's a Wonderful Life" in the 1990s, based on a Supreme Court decision that rewrote the rules slightly. These days, it's broadcast on NBC but isn't available on every streamer.

But two decades in the public domain turned out to be long enough for a movie that was on its way to being ignored forever to become memorable. The renaissance was such a fluke of randomness that the person responsible for "It's a Wonderful Life" couldn't even take the credit. He knew better than anyone how a Christmas movie could be a testament to the value of chance.

"I'm like a parent whose kid grows up to be president," Capra said. "I'm proud as hell, but it's the kid who did the work."

PHOTO ILLUSTRATION BY MADIA RADIC; PHOTOS: NBC/ASSOCIATED PRESS; ISTOCK

PERSONAL BOARD OF DIRECTORS

The trusted advisers of top business leaders

Alicia Boler Davis

Chief Executive Officer, Alto Pharmacy



Alicia Boler Davis spent nearly 25 years at General Motors Co. rising up the ranks from a manufacturing engineer to running global manufacturing and labor relations for the automobile giant.

"I never thought I'd leave," she said.

Ms. Boler Davis was the most senior Black executive in the automotive industry, but she started to have a nagging feeling that to continue growing, she had to move beyond the company she had called home for most of her career.

In 2019, she joined Amazon.com Inc. as vice president of customer fulfillment, quickly being promoted to join then-CEO Jeff Bezos' most senior group of advisers, called the "S-Team," and elevated to senior vice president.

Less than a year after she joined Amazon, the coronavirus set in. Ms. Boler Davis was faced with a rapidly shifting pandemic that affected the company's hundreds of thousands of employees.

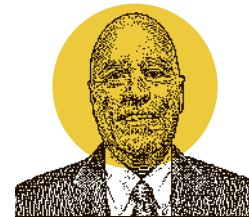
In early 2022, Ms. Boler Davis says she started to consider the next five years of her career. An executive recruiter called her about digital pharmacy startup Alto Pharmacy. She hadn't heard of the company until that phone call. But, after meeting with Alto's founders—two former Facebook employees who wanted to disrupt the pharmaceutical industry—she said she came to believe in the seven-year-old company's mission.

In September, she started as CEO of Alto, a "unicorn"—or startup valued at \$1 billion or more—that counts SoftBank Vision Fund as an investor and competes with the likes of Capsule, Walgreens and even Amazon Pharmacy.

"This isn't a Fortune 500 CEO job, which was probably the expected thing for me to do," said Ms. Boler Davis, who was interviewing for such roles when Alto approached her. "I've never done what was expected."

Here are four of her most trusted advisers.

—Dana Mattioli



Bill Boggs

Retired GM executive

Ms. Boler Davis met Mr. Boggs in 1999, when she was working as a plant planner at a troubled GM plant. Mr. Boggs was brought in from Ford Motor Co. to turn the plant around. Over the decade Ms. Boler Davis worked for him, Mr. Boggs promoted her a number of times, sometimes just a few months after a previous promotion. In 2007, he promoted her to plant manager of one of GM's most important plants. Ms. Boler Davis said she learned about recognizing talent and placing bets on talent from Mr. Boggs, who also backed and promoted other women at GM.



Ben Slivka

Angel investor, Retired Microsoft and Amazon executive

Ms. Boler Davis met Mr. Slivka in 2014 when she gave the keynote address at Northwestern University's graduation ceremony for engineers. At the time, Mr. Slivka was on the board of trustees, which Ms. Boler Davis would later join. Since that meeting, Mr. Slivka has pushed her to move beyond her comfort zone, she said. In 2018, she started to feel she was too comfortable at GM. Mr. Slivka introduced Ms. Boler Davis to a friend: then-Amazon Consumer CEO Jeff Wilke. She says she likely wouldn't have ended up at Amazon if not for Mr. Slivka pushing her.



Patti Poppe

CEO, PG&E Corp.

Ms. Boler Davis met Ms. Poppe in 1998 when she was assigned to work in a GM plant where Ms. Poppe was a leader. "What I learned from her is about leading with empathy, and about building a team piece by piece," said Ms. Boler Davis. She recalls Ms. Poppe being tough, but also being empathetic and having fun. Ms. Boler Davis has relied on Ms. Poppe for all types of advice. "I also learned from her taking risks in her career," said Ms. Boler Davis, who followed the way Ms. Poppe took her own risk when she left a senior role at GM in 2005 to join the energy industry.



Kevin Williams

CEO, GAA Manufacturing and Supply Chain Management

Ms. Boler Davis's first interaction with Mr. Williams was an unsolicited phone call from the then-GM executive early in her career. "He said 'Hey Alicia, I'm Kevin Williams. You don't know me; I know you. I've been following your career, I just want to be a resource for you to help you along your journey,'" she recalls. Over the years, the two have had regular check-ins. Mr. Williams used to say "excellence ain't easy," but impressed upon her that she had to continually raise the bar for herself. Ms. Boler Davis has adopted the practice of calling talented employees out of the blue to offer mentorship.

EXCHANGE



Stores Hope For Last-Minute Gift

Continued from page B1
 lowered them to charge closer to full price for everything from winter coats to cashmere sweaters.

This year, the easing of production and shipping delays coincided with a pullback in consumer spending, leaving chains from Target Corp. to Gap Inc. with too much stuff. As people return to stores and buy less online, the capacity pressures at carriers such as FedEx Corp. and United Parcel Service Inc. are easing, lessening the risk that gifts will arrive after the holiday. There is also one extra Saturday this year between Thanksgiving and Christmas, giving people more time to check items off their lists.

Shoppers slowed their spending in November and early December, according to government data and research firms, raising the urgency of these final days. As of last weekend, 12% of people hadn't started their holiday shopping, up from 9% at the same time last year, according to research firm Morning Consult, which surveyed 2,200 U.S. adults.

The primary reason for the delay are concerns about the economy and inflation, which remains near a four-decade-high, although it eased somewhat in November. "The folks who are waiting to shop say they are worried about being able to afford the holidays," said Claire Tassin, Morning Consult's retail and e-commerce analyst.

Irina Bromberg of Miami is looking for an iPad for her daughter, but will buy one only if it is on sale. "Finding last-minute deals is even more important when I'm already paying considerably more for everything this year," said the 41-year-old digital-content creator.

Black Friday, the day after Thanksgiving, is typically the busiest shopping day of the season, according to store foot traffic tracker Sensormatic Solutions, and is expected to rank No. 1 again this year.

The Saturday before Christmas, known as Super Saturday, is typically a close second, but this year the Super Saturday of Dec. 17 likely fell to fourth place because it was too far away from the holiday, according to Sensormatic. That calendar shift made the season even more back-end loaded



Shoppers, above, carry their goods through Manhattan. Left, a window display of watches. Retailers hope discounts will lure more shoppers this weekend.

than usual.

Dec. 23 is expected to be the second-busiest day, followed by the day after Christmas. Christmas Eve typically doesn't make it into the top 10 because stores close early, according to Brian Field, Sensormatic's global leader of retail consulting and analytics.

Retailers began offering holiday deals in October, hoping the early promotions would attract more traffic. But the season got off to a slow start by some measures.

General merchandise sales for the week of Black Friday fell 5% compared with the same week in 2021, according to market research firm NPD Group, which tracks point-of-sale receipts. Sales were also less than the same week in 2019, the first time this year that general merchandise sales for one week fell below prepandemic levels, NPD said.

The declines deepened as December progressed with sales falling 2%, 5% and 7% in the weeks that ended Dec. 3, 10 and 17, according to NPD.

"Last year, people started shopping in October because they were afraid we'd run out of toys," said Isaac Larian, the chief executive of MGA Entertainment Inc., which makes Bratz and L.O.L. Surprise! dolls as well as other toys. "This year is the opposite. Consumers know there is a glut of inventory and they are waiting until the last minute."

Forrest McCall, 28, of Louisville, Ky., passed on Black Friday deals for an iRobot vacuum and a 55-inch TV in the hopes of finding better prices closer to Christmas. "Just because the deals are offered earlier, it doesn't make me feel like I need to shop earlier," said Mr. McCall, who runs a personal

finance website. "I didn't feel like pulling the trigger yet."

Most discounts on Black Friday are typically planned, meaning retailers bake the deals into prices from the outset. But if sales fall short of expectations, retailers start slashing prices below planned levels, industry executives said.

That appears to have happened this year. Discounts peaked over the Black Friday weekend, fell in early December and began rising higher as the month drew to a close, according to DataWeave Inc., an analytics company that tracked prices across five categories, in-

cluding apparel, shoes, electronics and furniture, on the websites of 35 U.S. retailers. Last year, discounts declined through early January after peaking during the Thanksgiving weekend.

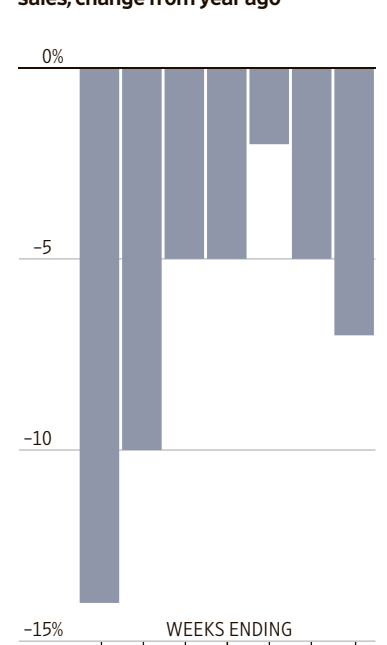
By mid-December, Wal-

mart cut prices on holiday décor and artificial Christmas trees by 25% instead of waiting until after the holiday, as it normally does. It also deepened the discounts in recent days on

certain toys such as Microsoft Corp.'s Xbox game console. A Walmart spokeswoman declined to comment on the pre-Christmas sale of holiday décor, but said the toy discounts are part of its regular holiday promotions.

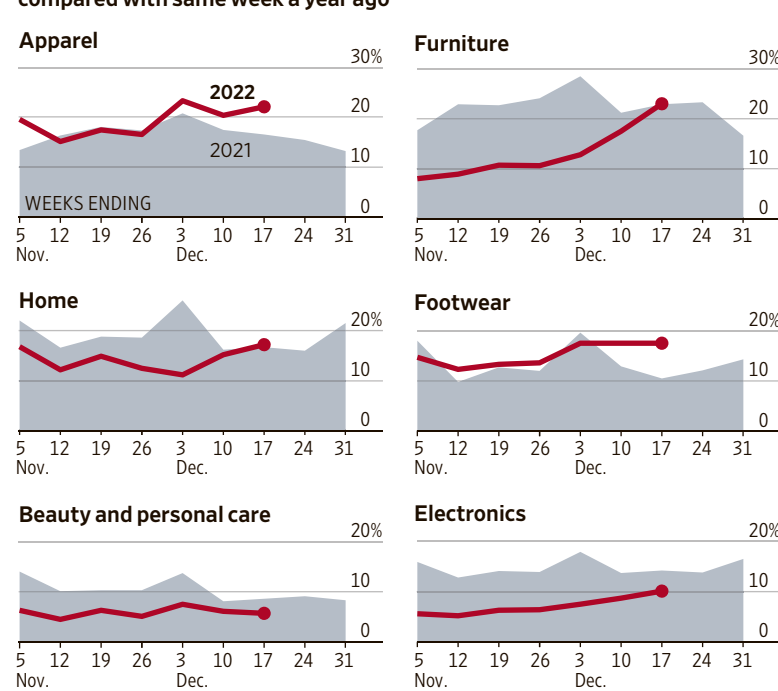
Handbag maker MCM is offering 60% off select fall and winter styles, deeper than its Black Friday sale of 25% off certain full-priced products. Apparel brand Tommy Hilfger is offering 50% off everything on its website in a deal running through the Tuesday after Christmas. On Black Friday, shoppers had to spend at least \$150 to get that discount, but Tommy Hil-

U.S. discretionary general merchandise sales, change from year ago



Sources: NPD Group (sales); DataWeave (discounts)

Average discounts in select retail sectors in November and December compared with same week a year ago



Supply Chain Gets Back To Normal

Continued from page B1
 were, a year ago, in the holiday season, Americans were wondering if we would get basic goods, not to mention Christmas presents, when we needed them," said U.S. Transportation Secretary Pete Buttigieg in a speech at UPS Worldport in Louisville, Ky., in early December.

FedEx Corp. and other regional carriers are having an easier time delivering packages this peak season, with additional capacity and steady parcel volume. On Tuesday,

FedEx reported average daily parcel volumes fell 10.2%, declining for the fourth straight quarter.

There were generally enough package sorters, drivers and sorting machines, helping FedEx hit a higher on-time performance rate, 95.3%, in the last week of November, up from 83.9% in the same time a year ago, according to data from ShipMatrix Inc., a parcel analytics firm.

The U.S. Postal Service, which makes last-mile deliveries for several package delivery companies, said its previous investments in new sorting machines have helped expand its package processing capacity to 60 million a day. This has helped it better handle the holiday mailing and shipping rush.

Even before the holiday season, parcel carriers noted consumers had pulled back on buying goods online. People resumed spending on travel,

parties and entertainment as the pandemic waned. Ample retail inventories have also compelled some companies to pull back on orders or restocking.

For some of the biggest U.S. manufacturers and retailers, supply-chain costs have become a budgetary bright spot rather than a liability. Procter & Gamble Co. expects to spend \$100 million less than it had anticipated on transportation and warehousing in the fiscal year ending in June 2023, the company said in October.

Dollar General Corp., after years of citing high transportation costs as a drag on the business, said in December that falling transit prices could begin lifting the company in 2023.

Not all supply chains are running smoothly. Apple Inc. has warned that shipments of its high-end

iPhone models would be hindered amid Covid restrictions at one of its major suppliers in China. Ford Motor Co. has raised the price of its electric F-150 Lightning pickup truck three times this year, partly because of supply-chain constraints and higher material costs. New waves of the pandemic or geopolitical tensions could create new problems.

Another potential snarl was averted recently when the White House interceded to end long-running contract talks between U.S. freight railroads and union groups. The decision imposed a five-year contract on both sides, preventing a potential December strike.

The major railroads, Union Pacific Corp., CSX Corp., BNSF Railway and Norfolk Southern Corp., said they have managed to hire more train and engine crew members in the second half of the year, following

figer dropped that requirement.

Macy's Inc., the big department-store chain, also stepped up discounts of some Ralph Lauren and Coach items in recent weeks and athleisure maker Athleta had more items on sale, according to Simeon Siegel, a senior analyst at BMO Capital Markets.

A spokesman for Gap Inc., which owns Athleta, declined to comment. Nata Dvir, Macy's chief merchandising officer, said the company uses artificial intelligence to help set prices based on demand and provide customers with the best value.

"The shopping season seems to be coming in on the back-end and is very different from the past two years," said Sarah Rasmussen, chief customer officer at Lands' End Inc., which is running its Black Friday discounts of up to 70% off winter coats, fleeces, sweaters and other items straight through Christmas Eve. "To get the front half of December going, it had to be juiced with promotions."

Ms. Rasmussen said that this year more customers—including herself—are paying for expedited shipping, after missing the Dec. 15 cutoff for standard shipping with guaranteed Christmas delivery.

It isn't just the hunt for better deals that causes shoppers to procrastinate. Researchers say anxiety is a major factor. This year, the normal stress of trying to find the right gift is compounded by financial concerns.

"Some people are feeling anxious about spending money because of inflation," said Jeffrey Galak, a marketing professor who studies consumer behavior at Carnegie Mellon University. "If something makes you anxious, people will put it off."

Shoppers may also be finding less novelty to excite them this year. New items accounted for 1.4% of general merchandise products in November 2022, down from 3.3% in November 2019, according to NPD.

"The absence of newness has created a laissez-faire consumer," said Marshal Cohen, NPD's chief industry adviser. He said there are fewer hot toys or must-have electronic gadgets this year, creating a lack of urgency to snap them up before they sell out.

That could be the result of what transpired during the Covid-19 pandemic, when it was more difficult to develop new products while people worked from home, Mr. Cohen said. He added that excess inventory and an uncertain economy give companies less incentive to invest in newness.

One holiday consumer who will be waiting until the final hours is Jorge Valdeleji, a 40-year-old digital consultant in Orlando, Fla. He said he plans to wait until Christmas Day to buy gift cards at convenience stores and gas stations.

"I don't like preplanning, because everything changes so fast," he said. "If I wait, I can change my mind at the last minute."

MARKETS DIGEST

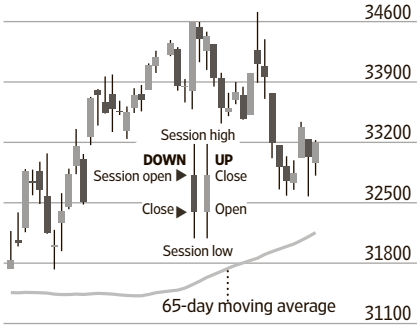
Dow Jones Industrial Average

33203.93
▲ 176.44
or 0.53%
All-time high
36799.65, 01/04/22

Trailing P/E ratio 20.66
P/E estimate* 18.17
Dividend yield 2.07

Last Year ago
20.66 22.37
18.17 18.52
2.07 1.92

Current divisor
0.15172752595384



Bars measure the point change from session's open

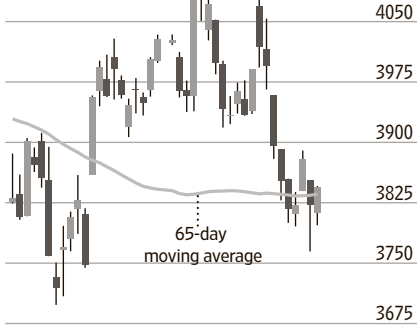
Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. † Based on Nasdaq-100 Index

S&P 500 Index

3844.82
▲ 22.43
or 0.59%
All-time high
4796.56, 01/03/22

Trailing P/E ratio* 18.61
P/E estimate** 17.37
Dividend yield* 1.75

Last Year ago
18.61 28.85
17.37 22.75
1.75 1.30



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. † Based on Nasdaq-100 Index

Nasdaq Composite Index

10497.86
▲ 21.74
or 0.21%
All-time high:
16057.44, 11/19/21

Trailing P/E ratio** 23.79
P/E estimate** 21.86
Dividend yield** 1.00

Last Year ago
23.79 36.93
21.86 30.12
1.00 0.63



Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. † Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	33226.14	32814.02	33203.93	176.44	0.53	36799.65	28725.51	-7.6	-8.6	5.2
Transportation Avg	13586.83	13407.00	13564.76	143.66	1.07	16718.54	11999.40	-16.2	-17.7	7.5
Utility Average	976.02	963.25	975.58	9.34	0.97	1071.75	838.99	2.1	-0.5	3.9
Total Stock Market	38561.87	38081.67	38555.74	210.52	0.55	48929.18	36056.21	-20.2	-20.7	5.3
Barron's 400	925.80	914.13	925.79	9.28	1.01	1111.54	825.73	-14.8	-16.3	8.1
Nasdaq Stock Market										
Nasdaq Composite	10514.76	10361.82	10497.86	21.74	0.21	15871.26	10321.39	-32.9	-32.9	5.5
Nasdaq-100	11007.09	10830.90	10985.45	29.31	0.27	16567.50	10690.60	-32.6	-32.7	8.1
S&P										
500 Index	3845.80	3797.01	3844.82	22.43	0.59	4796.56	3577.03	-18.6	-19.3	6.0
MidCap 400	2435.94	2405.83	2435.15	17.71	0.73	2865.54	2200.75	-12.9	-14.3	5.7
SmallCap 600	1161.24	1147.22	1160.68	7.63	0.66	1426.13	1064.45	-16.3	-17.2	4.3
Other Indexes										
Russell 2000	1761.24	1743.74	1760.93	6.85	0.39	2272.56	1649.84	-21.4	-21.6	1.7
NYSE Composite	15188.57	15025.73	15188.45	106.92	0.71	17353.76	13472.18	-10.5	-11.5	3.0
Value Line	536.35	530.09	536.34	3.54	0.66	680.36	491.56	-19.4	-20.2	-1.0
NYSE Arca Biotech	5368.19	5270.00	5296.05	-70.88	-1.32	5649.54	4208.43	-6.3	-4.0	0.5
NYSE Arca Pharma	870.55	863.95	870.48	1.77	0.20	887.27	737.84	6.4	5.2	9.9
KBW Bank	99.39	98.38	99.30	0.47	0.48	147.56	94.66	-24.4	-24.9	-4.2
PHLX® Gold/Silver	122.86	119.54	121.89	0.80	0.66	167.76	91.40	-6.7	-8.0	6.4
PHLX® Oil Service	83.47	80.85	83.45	3.20	3.99	88.37	52.69	56.9	58.3	1.6
PHLX® Semiconductor	2536.82	2490.76	2535.49	2.16	0.09	4039.51	2162.32	-35.5	-35.7	10.9
Cboe Volatility	22.64	20.78	20.87	-1.10	-5.01	36.45	16.60	16.2	21.2	18.3

† Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

NYSE NYSE Amer.

Total volume* 577,667,066 6,835,907

Adv. volume* 410,492,663 4,380,174

Decl. volume* 159,525,615 2,262,253

Issues traded 3,229 306

Advances 2,088 160

Declines 1,022 126

Unchanged 119 20

New highs 52 0

New lows 82 24

Closing Arms* 0.88 0.62

Block trades* 3,909 113

Nasdaq NYSE Arca

Total volume* 3,544,680,373 215,388,226

Adv. volume* 1,993,512,978 115,637,034

Decl. volume* 1,512,024,860 98,650,155

Issues traded 4,764 1,712

Advances 2,365 1,210

Declines 2,165 480

Unchanged 234 22

New highs 71 2

New lows 274 28

Closing Arms* 0.83 2.17

Block trades* 26,118 1,102

* Primary market NYSE, NYSE American, NYSE Arca only. (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand, above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	% chg	YTD
World					
	MSCI ACWI	605.78	1.39	0.23	-19.7
	MSCI ACWI ex-USA	281.22	-0.76	-0.27	-18.3
	MSCI World	2605.19	9.94	0.38	-19.4
	MSCI Emerging Markets	954.78	-9.28	-0.96	-22.5
Americas					
	MSCI AC Americas	1459.95	9.02	0.62	-20.1
Canada	S&P/TSX Comp	19506.65	156.99	0.81	-8.1
Latin Amer.	MSCI EM Latin America	2194.18	48.90	2.28	3.0
Brazil	BOVESPA	109697.57	2146.05	2.00	4.7
Chile	S&P IPSA	3171.33	20.92	0.66	13.0
Mexico	S&P/BMV IPC	50578.09	480.87	0.96	-5.1
EMEA					
	STOXX Europe 600	427.45	0.19	0.04	-12.4
Eurozone	Euro STOXX	412.50	0.03	0.01	-13.9
Belgium	Bel-20	3725.83	2.68	0.07	-13.6
Denmark	OMX Copenhagen 20	1829.15	7.63	0.42	-1.9
France	CAC 40	6504.90	-13.07	-0.20	-9.1
Germany	DAX	13940.93	26.86	0.19	-12.2
Israel	Tel Aviv	1785.96	...	Closed	-9.7
Italy	FTSE MIB	23877.55	64.25	0.27	-12.7
Netherlands	AEX	701.06	0.66	0.09	-12.1
Norway	Ose Bors All-Share	1378.04	4.17	0.30	5.4
South Africa	FTSE/JSE All-Share	73493.47	268.34	0.37	-0.3
Spain	IBEX 35	8269.01	-3.01	-0.04	-5.1
Sweden	OMX Stockholm	784.89	6.00	0.77	-24.3
Switzerland	Swiss Market	10804.68	30.04	0.28	-16.1
Turkey	BIST 100	5454.79	7.56	0.14	193.6
U.K.	FTSE 100	7473.01	3.73	0.05	1.2
U.K.	FTSE 250	18830.08	68.01	0.36	-19.8
Asia-Pacific					
	MSCI AC Asia Pacific	157.13	0.13	0.08	-18.6
Australia	S&P/ASX 200	7107.70	-44.80	-0.63	-4.5
China	Shanghai Composite	3045.87	-8.56	-0.28	-16.3
Hong Kong	Hang Seng	19593.06	-86.16	-0.44	-16.3
India	NIP BSE Sensex	59845.29	-980.93	-1.61	2.7
Japan	NIKKEI 225	26235.25	-272.62	-1.03	-8.9
Singapore	Straits Times	3257.70	-11.83	-0.36	4.3
South Korea	KOSPI	2313.69	-43.04	-1.83	-22.3
Taiwan	TAIEX	14271.63	-171.31	-1.19	-21.7
Thailand	SET	1617.55	0.88	0.05	-2.4

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
NantHealth	NH	3.56	0.76	27.14	17.25	1.57	-78.6
FLJ Group ADR	FLJ	2.90	0.57	24.43	3.87	0.60	28.9
Oric Pharmaceuticals	ORIC	5.78	0.99	20.67	16.78	2.36	-65.7
Frequency Therapeutics	FREQ	2.59	0.43	19.91	5.79	1.00	-52.4
Shinco	SISI	3.50	0.54	18.24	7.08	0.57	-50.6
Annovis Bio	ANVS	13.13	1.89	16.81	23.91	8.39	-36.4
Langeveron	LGVN	3.27	0.46	16.37	16.77	2.80	-76.1
AdvisorShares MSOS 2x Dly	MSOX	6.46	0.88	15.75	34.63	5.40	...
Hallador Energy	HNRG	11.30	1.51	15.42	11.35	2.20	366.9
Xilio Therapeutics	XLO	2.35	0.31	14.91	16.34	1.95	-85.3
Zivo Bioscience	ZIVO	2.84	0.36	14.31	4.60	2.37	-3.6
ADC Therapeutics	ADCT	3.52	0.44	14.29	21.59	2.69	-83.4
Atlas Motor Vehicles	AMV	4.49	0.56	14.25	243.99	3.74	...
BM Technologies	BMTX	5.87	0.73	14.20	10.65	4.71	-37.4
Inotiv	NOTV	5.07	0.63	14.19	45.95	3.65	-88.8

Percentage Losers

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
MingZhu Logistics Hldgs	YGMZ	1.75	-1.81	-50.84	6.50	1.24	-8.4
SIGNA Sports United	SSU	3.77	-1.53	-28.87	9.90	3.60	-58.7
HTG Molecular Diagnostics	HTGM	3.10	-1.15	-27.06	68.16	2.38	-94.1
Dragonfly Energy	DFLI	10.85	-4.01	-26.99	28.75	6.75	8.8
ThermoGenesis Holdings	THMO	3.15	-0.92	-22.60	55.35	3.10	-93.8
Puma Biotechnology	PBYI	4.12	-0.87	-17.43	5.16	1.60	19.1
Dada Nexus ADR	DADA	6.30	-1.31	-17.21	14.14	2.98	-55.0
Camber Energy	CEI	2.40	-0.49	-16.96	99.00	2.34	-94.5
Baudax Bio	BXRX	2.30	-0.45	-16.36	474.60	1.55	-99.5
Kalera	KAL	8.05	-1.55	-16.15	1478.00	5.55	-99.2
Mission Produce	AVO	12.39	-2.22	-15.20	16.96	11.04	-21.7
Lanvin Group Holdings	LANV	4.51	-0.79	-14.91	22.81	4.51	-53.6
MariaDB	MRDB	4.11	-0.67	-14.09	14.45	3.97	-57.8
G Medical Innovations	GMVD	2.16	-0.35	-13.90	235.90	1.94	-96.9
Missfresh ADR	MF	1.97	-0.30	-13.22	165.00	1.26	-98.4

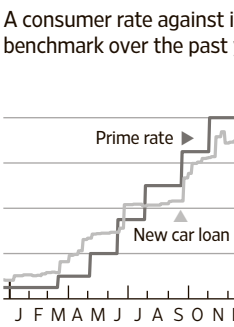
Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Core Scientific	CORZ	256,748	855.0	0.11	28.91	11.64	0.05
Tesla	TSLA	166,032	78.6	123.15	-1.76	402.67	121.02
ProShares UltraPro QQQ	TQQQ	164,265	-29.4	17.59	0.29	87.49	16.32
Mullen Automotive	MULN	122,320	-35.2	0.23	2.40	5.93	0.18
ProSh UltraPro Shrt QQQ	SQQQ	107,659	-19.5	53.50	-0.47	69.55	28.15

* 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

Consumer Rates and Returns to Investor

U.S. consumer rates



A consumer rate against its benchmark over the past year

Interest rate	Yield/Rate (%) Last	Yield/Rate (%) (●) Week ago	52-Week Range (%) Low	52-Week Range (%) High	3-yr chg (pct pts)
Federal-funds rate target	4.25-4.50	4.25-4.50	0.00	4.50	2.75
Prime rate*	7.50	7.50	3.25	7.50	2.75
Libor, 3-month	4.73	4.75	0.21	4.78	2.78
Money market, annual yield	0.33	0.33	0.07	0.33	-0.24
Five-year CD, annual yield	2.76	2.73	0.42	2.76	1.35
30-year mortgage, fixed†	6.64	6.74	3.23	7.41	2.80
15-year mortgage, fixed†	5.80	6.04	2.53	6.53	2.49
Jumbo mortgages, \$647,200					

MARKET DATA

Futures Contracts

Metal & Petroleum Futures						
	Contract			Open		
	Open	High	Low	Settle	Chg	Open interest
Copper-High (CME) -25,000 lbs.; \$ per lb.						
Dec	3.7835	3.8110	3.7560	3.8030	0.0510	861
March23	3.7645	3.8170	3.7610	3.8090	0.0250	102,438
Gold (COM) -100 troy oz.; \$ per troy oz.						
Dec	1794.30	1802.80	1794.10	1795.90	8.90	428
Jan23	1793.70	1805.50	1793.00	1797.40	8.90	1,117
Feb	1801.00	1812.20	1798.90	1804.20	8.90	370,398
April	1816.40	1827.60	1814.60	1819.80	9.00	37,908
June	1830.20	1843.20	1830.10	1835.40	9.00	14,508
Aug	1848.00	1859.20	1847.70	1851.60	9.00	5,560
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
Dec	1701.50	1701.50	1659.00	1710.20	60.20	1
March23	1669.50	1754.00	1640.50	1732.00	59.60	8,385
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
Dec	1015.00	1015.00	1015.00	1015.00	45.00	1
April23	989.80	1038.00	985.20	1035.40	42.10	54,904
Silver (COM) -5,000 troy oz.; \$ per troy oz.						
Dec	23.715	23.880	23.610	23.764	0.288	467
March23	23.740	24.095	23.685	23.920	0.298	113,107
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Feb	78.18	80.33	77.98	79.56	2.07	244,959
March	78.14	80.19	77.87	79.64	2.22	163,622
April	77.94	80.00	77.68	79.62	2.36	67,832
June	77.34	79.32	77.01	79.10	2.46	126,080
Dec	74.65	76.58	74.33	76.40	2.33	180,477
Dec'24	70.21	71.92	69.80	71.57	1.84	71,422
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Jan	3.1536	3.2999	3.1160	3.2661	1.347	26,000
Feb	3.1140	3.2529	3.0805	3.2148	1.194	68,505
Gasoline-NY RBOB (NYM) -42,000 gal.; \$ per gal.						
Jan	2.2654	2.3877	2.2497	2.3836	1.348	29,987
Feb	2.2770	2.3959	2.2614	2.3915	1.318	81,004
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
Jan	5.093	5.245	4.825	5.079	0.080	18,216
Feb	5.014	5.139	4.779	4.980	0.52	87,117
March	4.533	4.572	4.289	4.419	-0.14	180,353
April	4.231	4.280	4.049	4.147	-0.24	102,957
May	4.253	4.266	4.049	4.141	-0.22	109,077
Oct	4.425	4.478	4.300	4.388	-0.28	51,414

	Contract			Open		
	Open	High	Low	Settle	Chg	Open interest
May	860.75	871.50	857.75	869.00	9.25	25,260
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
Jan	183.950	184.450	183.450	184.000	0.25	9,059
March	186.400	187.050	186.175	186.750	3.00	19,888
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
Dec	156.450	157.175	155.750	156.900	1.50	1,430
Feb'23	157.550	157.825	157.000	157.750	4.00	140,218
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
Feb	88.450	89.200	87.100	87.825	-1.225	71,012
April	95.875	96.100	94.600	95.375	-6.50	44,560
Lumber (CME) -110,000 bd. ft.; \$ per 1000 bd. ft.						
Jan	380.00	387.80	379.40	384.00	2.50	930
March	377.00	385.00	373.00	380.00	3.00	2,025
Milk (COM) -200,000 lbs.; cents per lb.						
Dec	20.53	20.54	20.53	20.53	-0.02	4,193
Jan'23	19.31	19.60	19.25	19.46	2.1	4,449
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
March	2,613	2,651	2,609	2,628	22	118,933
May	2,606	2,650	2,605	2,631	31	54,827
Coffee (ICE-US) -37,500 lbs.; cents per lb.						
March	168.90	172.65	168.80	172.00	3.10	95,554
May	168.55	172.35	168.55	171.60	2.85	44,331
Sugar-World (ICE-US) -112,000 lbs.; cents per lb.						
March	20.95	21.18	20.81	20.98	0.09	400,618
May	19.50	19.65	19.35	19.50	0.06	210,788
Sugar-Domestic (ICE-US) -112,000 lbs.; cents per lb.						
March	36.50	36.50	36.50	36.51	0.01	2,024
May	36.51	36.51	36.51	36.51	0.01	2,749
Cotton (ICE-US) -50,000 lbs.; cents per lb.						
March	84.30	85.79	84.01	85.21	91	97,959
May	83.95	85.61	83.71	85.18	1.33	35,823
Orange Juice (ICE-US) -15,000 lbs.; cents per lb.						
Jan	212.45	212.60	205.35	206.25	-3.85	1,014
March	207.75	208.40	203.15	204.70	-1.85	9,335

Interest Rate Futures						
Ultra Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%						
March	138-300	139-010	136-310	137-300	-2-10.0	1,413,268
Treasury Bonds (CBT) - \$100,000; pts 32nds of 100%						
March	128-080	128-090	127-030	127-050	-1-09.0	1,194,495
June	128-260	129-110	128-020	127-290	-1-14.0	206
Treasury Notes (CBT) - \$100,000; pts 32nds of 100%						
March	113-135	113-155	112-310	113-025	-1-15.0	3,780,117
June	114-010	114-065	113-145	113-220	-1-15.0	197
5 Yr. Treasury Notes (CBT) - \$100,000; pts 32nds of 100%						
Dec	108-140	108-222	108-132	108-120	-1-02.0	416
March'23	108-222	108-237	108-122	108-140	-1-07.0	1,412,346
2 Yr. Treasury Notes (CBT) - \$200,000; pts 32nds of 100%						
Dec	102-217	102-250	102-217	102-222	-2-7	370
March'23	102-286	102-295	102-254	102-262	-3-0	2,230,414
30 Day Federal Funds (CBT) - \$5,000,000; 100 - daily avg.						
Dec	95.8975	95.8975	95.8950	95.8950		267,967
Jan'23	95.6650	95.6700	95.6650	95.6650		420,838
10 Yr. Del. Int. Rate Swaps (CBT) - \$100,000; pts 32nds of 100%						
March	102-240	103-040	102-165	102-200	-2-10	17,088
Three-Month SOFR (CME) - \$1,000,000; 100 - daily avg.						
Dec	95.4925	95.4950	95.4875	95.4900	-0.025	858,056
March'23	95.1400	95.1550	95.1150	95.1200	-0.250	1,203,100
Eurodollar (CME) - \$1,000,000; pts of 100%						
Jan	95.2050	95.2125	95.2025	95.2075	0.050	131,886
March	94.9600	94.9750	94.9400	94.9450	-0.100	856,502
Sept	95.0750	95.1050	95.0300	95.0450	-0.500	683,662
Dec	95.3950	95.4250	95.3350	95.3500	-0.650	720,308

Currency Futures						
Japanese Yen (CME) - ¥12,500,000; \$ per 100¥						
Jan	75.70	75.81	75.55	75.50	-0.027	839
March	76.36	76.49	75.92	76.08	-0.027	172,846
Canadian Dollar (CME) - CAD 100,000; \$ per CAD						
Jan	73.35	73.73	73.23	73.54	0.027	236

Agriculture Futures						
Corn (CBT) - 5,000 bu.; cents per bu.						
March	659.50	667.75	659.25	666.25	5.75	547,696
July	653.00	660.25	652.75	658.00	3.75	208,836
Oats (CBT) - 5,000 bu.; cents per bu.						
March	354.25	367.00	351.00	363.50	9.00	3,702
May	355.25	364.50	354.00	360.00	7.75	399
Soybeans (CBT) - 5,000 bu.; cents per bu.						
Jan	1468.75	1484.00	1466.25	1479.00	11.25	81,218
March	1473.25	1489.00	1470.50	1484.50	12.50	265,129
Soybean Meal (CBT) - 100 tons; \$ per ton.						
Jan	451.60	458.50	450.60	455.30	3.00	37,175
March	448.30	454.90	446.90	451.30	3.00	203,077
Soybean Oil (CBT) - 60,000 lbs.; cents per lb.						
Jan	65.56	66.72	65.07	65.95	1.3	32,709
March	64.66	65.36	63.90	64.63	.64	150,857
Rough Rice (CBT) - 2,000 cwt.; \$ per cwt.						
Jan	17.95	18.03	17.89	18.02	0.6	1,249
March	18.20	18.42	18.20	18.41	0.8	5,413
Wheat (CBT) - 5,000 bu.; cents per bu.						
March	762.00	778.00	758.00	776.00	13.75	165,396
July	772.25	789.00	771.25	786.25	11.50	70,049
Wheat (KC) - 5,000 bu.; cents per bu.						
March	865.25	877.50	863.25	874.75	8.75	86,670

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session						
Friday, December 23, 2022						
ETF	Symbol	Closing Price	Chg (%)	YTD (%)		
CnsmDiscSelSector	XYL	129.43	0.68	-36.7		
CnsStapleSelSector	XLP	74.18	0.52	-2.5		
DimenUSCoreEq2	DFAC	24.32	0.07	-16.1		
EnSelSectorSPDR	XLE	87.06	3.19	56.9		
FinSelSectorSPDR	XLF	33.95	0.56	-13.1		
HealthCareSelSector	XLV	136.10	0.06	-3.4		
IndSelSectorSPDR	XLI	98.39	0.59	-7.0		
InvsCQQQ	QQQ	267.36	0.22	-32.8		
InvsCSP500EW	RSP	141.29	0.64	-13.2		
ISHCoreDivGrowth	DGRD	50.02	0.67	-17.0		
ISHCoreDivGrowth	IEFA	61.86	0.32	-10.1		
ISHCoreMSCIEAFE	IEMG	46.60	-0.13	-22.2		
ISHCoreMSCIEM	IUSX	57.98	0.35	-18.3		
ISHCoreMSCITotInt	IUV	384.59	0.52	-19.4		
ISHCoreS&P500	IH	242.26	0.71	-14.4		
ISHCoreS&P500	IUR	94.87	0.68	-20.7		
ISHCoreS&PTotUS	ITOT	84.85	0.56	-17.2		
ISHCoreTotalUSDBD	IUSK	45.34	-0.29	-14.3		
ISHCoreUSAggBd	AGG	97.97	-0.35	-14.1		
ISHSelectDividend	DVY	120.96	0.99	-1.3		

Borrowing Benchmarks | WSJ.com/bonds

December 23, 2022						
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.						
Inflation						
Nov. index	Chg From (%)					
level	Oct '22	Nov. '21				
Switzerland	1.50	1.50	1.50	0.00		
Britain	3.50	3.50	3.50	0.25		
Australia	3.10	3.10	3.10	0.10		

Money Rates

December 23, 2022						
U.S. consumer price index						
All items	297.711	-0.10	7.1			
Core	299.600	0.10	6.0			
International rates						
Week	52-Week					
Latest	ago	High	Low			
U.S.	7.50					

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Bostco), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE. The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are the stocks with large changes in volume compared with the issue's average trading volume. Boldfaced quotations highlight those issues whose price changed by 5% or more from their previous closing price was \$2 or higher.

Footnotes:
 +New 52-week high. h-Does not meet continued listing standards
 +New 52-week low. f-Late filing
 dd-Indicates loss in the most recent quarter.
 fd-First day of trading. n-NYSE bankruptcy
 Stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Friday, December 23, 2022

YTD 52-Week High Low Stock Yld Sym % PE Last Net Chg

YTD %Chg	52-Week HI	52-Week LO	Stock	Yld	Sym	% PE	Last	Net Chg
-14.92	72.37	36.90	ABB	2.35	A	30.0	0.17	
8.55	10.10	6	ADT	1.5	A	10.0	9.16	0.10
4.99	86.94	60.74	AECOM	0.9	A	39.0	84.69	0.16
22.88	72.07	52.07	AFLAC	2.9	A	11.0	71.75	0.84
15.62	150.28	88.54	AGCO	0.7	A	12.0	134.17	0.31
-40.78	413.22	235.43	ANSS	4.4	A	23.0	345.34	0.34
-17.51	25.90	19.7	ANP	3.1	A	12.0	21.29	0.19
-18.82	8.15	4.5	ASET	8.9	A	6.3	4.02	-0.22
-30.74	617.30	363.15	ASML	1.0	A	37.0	551.37	-4.58
12.30	48.86	32.24	AT&T	4.2	A	10.0	48.86	0.13
-23.14	140.18	125.5	ABBOTT	1.9	A	10.0	140.18	0.15
-20.44	175.91	92.26	ABBV	3.6	A	12.0	163.10	-0.17
36.74	89.50	50.07	ACADIAHEALTH	27.8	A	8.0	89.50	0.15
-22.93	417.37	242.95	AGRIUM	1.3	A	24.0	266.09	-1.33
14.16	86.90	61.99	ACTAVIS	6.6	A	7.5	95.25	0.21
-0.41	582.88	274.73	ADBE	3.4	A	38.0	453.15	1.93
-40.27	244.55	138.52	ADVANCE	8.2	A	18.0	148.28	1.20
-29.19	153.36	90.21	ADVA	1.6	A	15.0	103.36	0.26
-55.16	162.73	54.57	ADVICOM	6.9	A	6.5	64.52	-0.66
10.05	6.56	3.75	AEON	3.4	A	5.4	6.56	0.06
-2.34	89.36	61.62	AGREDA	4.9	A	11.0	89.36	0.24
-63.92	162.62	115.32	AGILENT	0.6	A	36.0	149.23	-0.22
-3.70	28.26	14.36	AGILENT	0.6	A	16.0	28.26	0.07
-0.96	61.64	36.69	AGRIUM	3.6	A	5.6	61.64	0.05
-2.92	80.84	61.62	AGRIUM	4.2	A	11.0	80.84	0.13
2.96	328.56	214.24	AIRPRODUCTS	2.1	A	31.0	312.04	-0.56
-48.80	191.73	72.58	AIRBNB	3.6	A	85.0	138.23	-0.38
1.74	80.84	61.62	AKAMAI	0.7	A	17.0	80.84	0.04
-2.91	334.95	169.82	ALBERT	0.7	A	17.0	334.95	-0.98
-25.81	97.99	20.05	ALBERTSONS	3.2	A	21.0	11.33	-0.15
-30.81	39.29	33.55	ALCOA	0.9	A	44.0	33.55	-0.35
-22.93	188.78	92.21	ALCON	5.9	A	16.0	188.78	0.23
-33.96	242.95	126.74	ALEXANDRIA	3.5	A	14.0	242.95	-1.17
-29.70	138.70	58.01	ALIBABA	2.0	A	85.0	138.70	-0.22
-69.01	674.99	172.05	ALLEGANT	3.2	A	20.0	674.99	-1.18
-20.74	21.52	19.2	ALLEGANT	3.2	A	20.0	21.52	-0.03
-10.04	65.37	47.11	ALLIANT	1.1	A	55.0	53.30	-0.13
15.91	144.6	111.85	ALLIANT	2.5	A	16.0	144.6	0.34
-4.74	53.83	22.34	AMEREN	4.2	A	11.0	53.83	0.04
-40.29	242.97	117.58	AMGEN	1.1	A	23.0	242.97	-0.59
-39.72	152.10	83.45	ALPHABET	0.8	A	28.0	152.10	-0.25
-38.40	151.5	83.24	ALPHABET	0.8	A	28.0	151.5	-0.25
-4.45	80.84	61.62	AMEREN	4.2	A	11.0	80.84	0.04
-48.87	137.94	82.25	AMAZON	0.8	A	75.0	137.94	-0.46
-0.86	3.92	2.2	AMZN	3.9	A	11.0	3.92	0.05
-0.42	13.61	10.42	AMCOR	1.1	A	12.0	13.61	0.06
-1.91	91.22	63.36	AMGEN	1.1	A	23.0	91.22	-0.34
0.58	99.20	73.28	AMEREN	4.2	A	11.0	99.20	0.07
-6.99	21.62	15.67	AMEREN	4.2	A	11.0	21.62	-0.29
-6.42	79.84	53.83	AMEREN	4.2	A	11.0	79.84	-0.24
-29.23	21.42	11.65	AIRLINES	0.0	A	12.0	21.42	-0.15
7.55	105.50	80.0	AEP	5.0	A	9.6	105.50	1.22
-1.13	195.55	130.65	AMEREN	4.2	A	11.0	195.55	-0.04
0.36	152.92	119.27	AMEREN	4.2	A	11.0	152.92	0.04
-3.03	44.07	29.31	AMEREN	4.2	A	11.0	44.07	-0.33
-11.08	65.73	47.05	AIG	2.0	A	6.3	65.73	-0.16
-27.37	294.40	174.17	AMEREN	4.2	A	11.0	294.40	-1.05
-18.98	189.65	121.2	AMEREN	4.2	A	11.0	189.65	-0.71
-13.11	33.8	24.19	AMEREN	4.2	A	11.0	33.8	-0.27
2.19	39.41	21.99	AMEREN	4.2	A	11.0	39.41	0.35
-2.19	133.62	81.2	AMEREN	4.2	A	11.0	133.62	-0.14
-2.51	148.07	101.67	AMEREN	4.2	A	11.0	148.07	-0.06
-1.37	296.67	214.39	AMGEN	1.1	A	23.0	296.67	-0.24
-13.32	88.45	61.67	AMPHENOL	1.1	A	13.0	88.45	-0.34
-4.79	180.01	133.2	AMPHENOL	1.1	A	13.0	180.01	-0.29
-2.99	26.96	11.41	ANGLO	2.5	A	19.0	26.96	-0.11
-0.30	61.97	49.54	ANGLI	0.6	A	31.0	61.97	-0.05
-28.10	23.32	15.1	ANGLI	0.6	A	31.0	23.32	-0.16
93.89	48.80	15.2	ANGLI	0.6	A	31.0	48.80	0.93
0.01	34.88	24.62	ANGLI	0.6	A	31.0	34.88	0.01
-11.29	75.39	45.62	APOLLO	1.1	A	22.0	75.39	-0.48
-25.74	182.94	129.27	AMEREN	4.2	A	11.0	182.94	-0.91
-38.22	167.05	71.12	AMEREN	4.2	A	11.0	167.05	-0.88
-10.48	124.91	90.23	APTARGROUP	1.4	A	11.0	124.91	-0.45
-10.48	124.91	90.23	APTARGROUP	1.4	A	11.0	124.91	-0.45
-12.62	89.36	28.2	ARCELORMITTAL	0.7	A	26.0	89.36	-0.28
-16.24	37.97	19.25	ARCELORMITTAL	0.7	A	26.0	37.97	-0.11
-49.28	63.53	41.05	ARCELORMITTAL	0.7	A	26.0	63.53	-0.53
-39.99	98.88	65.25	ARCELORMITTAL	0.7	A	26.0	98.88	-0.25
-6.71	86.06	53.95	AREX	3.6	A	7.0	86.06	-0.25
-16.85	40.93	24.50	AREX	3.6	A	7.0	40.93	-0.51
-16.68	148.57	89.11	ARISTONETWORKS	0.5	A	33.0	148.57	-0.60
-22.52	137.95	95.2	ARISTONETWORKS	0.5	A	33.0	137.95	-0.60
-11.48	10.12	6.58	ARISTONETWORKS	0.5	A	33.0	10.12	-0.21
26.59	173.81	101.87	ASAP	2.0	A	22.0	173.81	0.21
16.70	71.70	52.0	ASSURANT	2.1	A	10.0	71.70	0.16
66.63	399.10	113.76	AT&T	4.2	A	11.0	399.10	0.88
-9.66	122.95	86.2	AT&T	4.2	A	11.0	122.95	-0.04
-2.60	122.95	86.2	AT&T	4.2	A	11.0	122.95	-0.04
-28.99	108.82	65.74	AUTOPARTS	1.7	A	14.0	108.82	-0.20
-29.27	274.92	152.2	AUTOPARTS	1.7	A	14.0	274.92	-0.17
-33.1	135.57	94.52	AVANTAGE	1.0	A	10.0	135.57	-0.15
-15.94	201.05	139.32	AVANTAGE	1.0	A	10.0	201.05	-0.15
-35.46	295.55	158.35	AVANTAGE	1.0	A	10.0	295.55	-0.29
-13.31	51.71	37.64	AVANGRID	4.1	A	23.0	51.71	-0.24
-51.26	42.48	18.7	AVANGRID	4.1	A	23.0	42.48	-0.54
-16.37	212.41	151.62	AVANGRID	4.1	A	23.0	212.41	-0.20
-22.16	322.83	181.83	AVANGRID	4.1	A	23.0	322.83	-0.17
-7.63	193.85	82.11	AVANTAGE	1.0	A	10.0	193.85	-0.16
-15.29	70.14	29.88	AVANTAGE	1.0	A	10.0	70.14	-0.28
-15.29	70.14	29.88	AVANTAGE	1.0	A	10.0	70.14	-0.28
-33.03	80.41	51.45	B&W	0.9	A	66.0	80.41	-0.64
-2.49	121.07	102.86	BOF	1.5	A	10.0	121.07	-0.75
-2.49	121.07	102.86	BOF	1.5	A	10.0	121.07	-0.75
-0.61	36.11	25.16	BOE	0.1	A	60.0	36.11	-0.01
-6.63	109.95	83.76	BOKF	1.1	A	11.0	109.95	-0.34
20.95	39.7	29.1	BANKOFAMERICA	2.6	A	11.0	39.7	0.16
-31.89	74.95	25.8	BANKOFAMERICA	2.6	A	11.0	74.95	-0.46
3.39	6.57	5.93	BANKOFAMERICA	2.6	A	11.0	6.57	0.03
-2.18	3.25	2.59	BANKOFAMERICA	2.6	A	11.0	3.25	-0.05
-20.11	22.74	15.60	BANCORP	5.2	A	6.0	22.74	-0.04
-18.91	74.73	44.32	BANCORP	5.2	A	6.0	74.73	-0.29
-10.64	40.1	23.6	BANCORP	5.2	A	6.0	40.1	-0.18
-11.62	45.98	23.86	BANCORP	5.2	A	6.0	45.98	-0.28
-16.17	122.77	81.57	BANKMONTREAL	0.8	A	10.0	122.77	-0.47
-23.12	64.63	36.22	BANKMONTREAL	0.8	A	10.0	64.63	-0.34
-36.03	130.78	68.0	BANKMONTREAL	0.8	A	10.0	130.78	-0.47
-24.73	12.05	8.58	BARCLAYS	3.9	A	7.0	12.05	-0.20
-8.47	26.01	13.01	BARRICK	3.6	A	16.0	26.01	-0.15
-39.91	71.51	25.75	BATH&BODY	1.1	A	14.0	71.51	-0.60
-41.55	89.49	49.7	BATH&BODY	1.1	A	14.0	89.49	-0.89
3.79	277.29	215.18						

BUSINESS & FINANCE

Toy Retailer Targets Sustainability

Variety chain Flying Tiger Copenhagen wants to limit plastic—and still control costs

By TREFOR MOSS

COPENHAGEN—Denmark, the home of Lego, once pioneered the plastic toy. Now one of the country's biggest toy retailers wants to ditch plastic and go back to wood and other natural materials.

Variety-store chain Flying Tiger Copenhagen has grown rapidly across Europe by offering an eclectic mix of cheap toys, gadgets and household items that are often made of plastic. Typical items include a remote-controlled dinosaur for roughly \$19, a set of six stick-on mustaches for \$4 or a pair of fluffy unicorn slippers for \$13.

This Christmas season, shoppers in the Danish capital could see the change in approach, with new wooden versions of chess, backgammon and four-in-a-row on sale in stores alongside older plastic versions of the same games.

The two versions won't co-exist for long. "There's no scenario where this product is in the stores in about a year," said Martin Jermiin, Flying Tiger Copenhagen's chief executive, referring to the plastic edition of four-in-a-row.

Flying Tiger Copenhagen, which is owned by holding company Zebra AS and operates nearly 900 stores worldwide, aims to halve its use of plastic by 2025, relative to 2019, among other sustainability goals. That is a tough target for a company that has relied heavily on the synthetic material, Mr. Jermiin said.

"Plastic is a very, very good material," he said. "It's just not very good for the planet."

Reducing use of plastic, and thereby plastic-related waste and emissions, has become an environmental goal for many companies, including Lego AS, which is developing ways to make its toy bricks out of recycled or plant-based plastics. Around 500 major global companies have signed a United Nations-backed pledge to stop using new, virgin plastic in



The chain has grown rapidly in Europe by offering an eclectic mix of toys, gadgets and household items. Above, a Copenhagen store.

their packaging by 2025.

Cheap, versatile and universal, plastic is hard for companies such as Flying Tiger to phase out quickly.

Inside one of the product development studios at Flying Tiger's headquarters, an array of plastic skeletons, spiders and other ghoulish trinkets that will form next year's Halloween range highlighted the scale of the challenge. The holiday is a big earner for Flying Tiger, which doubled its Halloween product sales this year, and expects to do so again in 2023, according to Mr. Jermiin.

But the holiday remains heavily dependent on plastic from a product standpoint: Until recently, Flying Tiger's Halloween range was almost entirely made of plastic.

The company's answer has been to ditch plastic where it can: products such as jewelry and ornaments can be made from metal, glass or ceramic instead. And where it can't, as with molded ghosts and skeletons, it will use recycled plas-

tic instead of virgin material.

That presents another obstacle for a company whose appeal rests in part on its low prices. While consumers have been flocking to budget retailers in recent months as high energy bills and other inflationary pressures squeeze their disposable incomes, many shoppers are unwilling or unable to pay more, making it harder for retailers to recoup the higher costs they face themselves.

Flying Tiger has raised some prices, but has focused mainly on controlling costs at the design phase, said Mr. Jermiin, as materials of all kinds grow more expensive.

The rising cost of ceramics, for example, led to updated versions of products that were slightly smaller but priced the same.

Shifting away from virgin plastic also comes with a cost. Recycled plastic on the Chinese market, where Flying Tiger outsources much of its production, is currently

around 25% more expensive than virgin plastic, for example, while other plastic substitutes, notably wood, may also cost more.

Still, materials are only one part of a product's overall cost, so even when the company opts for costlier materials, "We're not sacrificing a lot," Mr. Jermiin said. "Sustainability shouldn't be an excuse to price higher."

Flying Tiger designs its products in-house and sets the order volume of each item, meaning it can tweak designs and order sizes to have some control over costs during times of rampant inflation.

Replacing plastic with wood can be done affordably, the company says. A wooden toy banjo priced at 12 euros—equivalent to roughly \$12.75—has recently replaced a plastic version that cost €15. At €2.50, a wooden toy truck is 50 cents cheaper than its plastic predecessor.

For now, the new wooden version of four-in-a-row costs

€5—double the price of the plastic set. But the plastic set was ordered in large quantities, whereas the company ordered a relatively low volume of the wooden version to test its popularity with Christmas shoppers, Mr. Jermiin said. If it proves a hit, a wooden set ordered in high volume would become significantly cheaper per unit, he said.

The switch-over is also under way in other product categories. Wet wipes, previously synthetic, are now made of bamboo. Mint sweets come in metal tins without the plastic parts included in earlier iterations. The use of synthetic fibers in textile products is declining.

The shift away from plastic is a big positive for some consumers and, so long as prices remain stable, it doesn't seem to deter others who are less environmentally minded, Mr. Jermiin said.

In the run-up to Christmas, stores have been packed with shoppers and "basket sizes are up," he said.

Google Relaxes Ban on CBD Ads

By KATIE DEIGHTON

Alphabet Inc.'s Google in January will start running ads for some products made with CBD for the first time, in a program designed to test the loosening of its rules on promoting the cannabis-derived substance formally called cannabidiol.

The news represents a small breakthrough for CBD product owners, which have long been blocked by some technology companies from advertising online.

"Google's decision to open the door for some CBD products to advertise is a step in the right direction," said Lisa Buffo, founder and chief executive of the Cannabis Marketing Association. "The opportunity for businesses to connect with their customers, where they are, is long overdue."

The pilot comes in response to the prevalence and widespread availability of CBD products, a Google spokesman said.

The company in October reported its fifth consecutive quarter of slowing sales growth, with its YouTube video platform posting a drop in advertising revenue for the first time since the company began reporting the unit's performance.

Google, which remains the world's largest digital advertising company, on Jan. 20 will update two of its policies to allow for the promotion of pharmaceuticals containing CBD that have been approved by the Food and Drug Administration in a pilot program.

It will also run ads for topical, hemp-derived products so long as their content of tetrahydrocannabinol—the psychoactive substance found in the cannabis plant—is measured at less than 0.3%. These include products such as candles, bath bombs and beauty products.

The approved ads in the pilot will initially only be shown to users in California, Colorado and Puerto Rico. They won't be shown to users identified as under the age of 18.

Ads promoting other CBD-based products, including supplements, food additives and inhalants, will continue not to be accepted by Google's ad business. But Google will remove CBD from its ad business's list of banned pharmaceuticals and supplements, according to a company blog post.

The relaxation follows similar moves by Twitter Inc., which in 2019 approved some advertisers of non-ingestible, topical CBD products to target U.S. users with ads in most states. Many large digital ad companies, including Amazon.com Inc. and Facebook and Instagram owner Meta Platforms Inc., still prohibit ads promoting CBD and cannabis products.

Some executives in the CBD sector say Google's pilot doesn't go far enough. Hemp-based CBD products with less than 0.3% THC are legal under federal law, and responsible merchants should be allowed to advertise them more widely online, they say.

"Allowing all businesses to advertise their lawful products would provide the potential for increased revenue and exposure to customers who may be looking for reputable products but do not know where to turn," said Dafna Revah, vice president of CBD Kratom, a national CBD and cannabis-product retailer.

Sixth Street Rises Amid New Crunch

Continued from page B1

San Francisco-based Sixth Street got the lead role on the lucrative LBOs, and associated arranger fees, by ponying up over \$1.5 billion, people familiar with the matter said.

Blackstone Inc. had never done a deal with Sixth Street before October, when it selected the firm to finance its multibillion-dollar private-equity purchase of a majority stake in Emerson's climate-technologies business, a person close to the transaction said. "We were positively surprised that they showed up, and in size," the person said.

Sixth Street is exploiting a vacuum in the credit markets as the Federal Reserve raises interest rates and sucks money out of the financial system. Those moves make the capital that private-equity firms rely on for their buyouts harder to come by—and more expensive.

Some investment banks have pressed pause on new lending until they unload loans from "hung deals" that they made for buyouts of companies including

Citrix Systems Inc. before interest rates surged this year. The banks are struggling to sell the loans because their biggest buyers, collateralized loan obligations, or CLOs, have entered a rough patch.

Issuance of new CLOs and of new LBO loans in November hit the lowest monthly level since the 2020 onset of the pandemic, according to data from Dealogic. Issuance in December has been lower.

Private-equity funds have turned instead for funding to nonbank lenders that drove the private-credit boom in recent years, but they also are scaling back lending. Managers of business development companies, or BDCs, in particular, are making smaller loan commitments and shoring up their balance sheets as investors pull money from some funds.

Blackstone, which also operates private-credit funds, reported that investors in its large BDC asked to redeem 5% of shares in the fourth quarter and that it plans to honor those requests. Others, such as Blue Owl Capital Inc.'s oldest BDC, have less cash to spend because loans it already made are being repaid more slowly during the market slowdown.

Most BDC managers also rely on borrowed money to boost their returns but set maximum debt-to-equity, or leverage, levels to control market risk.



Sixth Street won the top lending spot on the leveraged buyout for the purchases of a unit of Emerson Electric.

When the value of private loans drops, some BDCs must use cash to repay debt rather than invest in new loans to stay below those levels.

Large BDCs run by such firms as Ares Management Corp. and Blue Owl were close to those thresholds in September, according to data from Keefe, Bruyette & Woods. Sixth Street doesn't have that problem. The firm reported the third-lowest leverage ratio of 23 BDCs tracked by KBW in September.

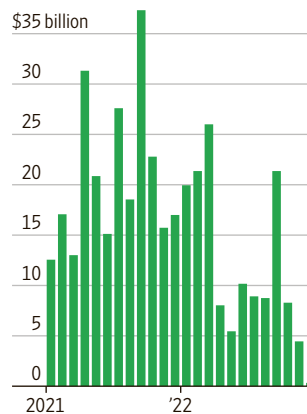
Ares, Blackstone and Blue Owl still have cash to finance buyouts, but they are cutting smaller checks and being more selective, the people familiar with the matter said. Ares and

Golub Capital, another BDC manager, both passed on the Emerson loan, the people said.

Sixth Street committed \$500 million in October to the \$2.6 billion secured loan Blackstone raised from nonbank lenders for the Emerson deal, the people familiar with the matter said. The loan pays a roughly 11% interest rate, about 3 to 5 percentage points more than comparable loans cost before the credit cold snap, they said.

Sixth Street was founded in 2009 by a team that left Goldman Sachs Group Inc.'s special-situations group when new regulations hampered the bank's proprietary trading operations. Sixth Street specializes in credit but has branched out into in-

Bank syndicated loans for leveraged buyouts, monthly



Note: As of Dec. 21

Source: Dealogic

ADVERTISEMENT

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

BUSINESS OPPORTUNITIES

ALLIANCE MORTGAGE FUND
7%-8% RETURN
REAL ESTATE SECURED FIXED INCOME FUND
SEEKING RIA'S & ACCREDITED INVESTORS
 CALL:
866-700-0600
 ALLIANCE PORTFOLIO
 120 Verrill Dr., Ste. 515 • Aliso Viejo, CA 92656
 www.AlliancePortfolio.com
 RE Broker • CA CRE • 02366955 Broker License ID

THE WALL STREET JOURNAL

THE MARKETPLACE

ADVERTISE TODAY

(800) 366-3975

For more information visit:
wsj.com/classifieds

© 2022 Dow Jones & Company, Inc.
 All Rights Reserved.

AT&T to Expand Broadband to More States

By WILL FEUER

AT&T Inc. said it would launch broadband services in states it doesn't currently serve by forming a joint venture with BlackRock Inc. to fund the rollout of fiber-optic networks in new markets.

The Dallas-based telecom company said that, with BlackRock Alternatives, it would form a venture called Gigapower LLC to reach an initial 1.5 million customer locations across the U.S.

The companies didn't disclose financial terms of the deal or the states that they would seek to serve.

Wireless companies and cable operators have increasingly been crossing onto each other's turf as they search for growth and new customers. Cable operators such as Charter Communications Inc. and Comcast Corp. have signed up millions of customers to cell-phone services. T-Mobile US Inc. and Verizon Communications Inc. are selling home internet services via 5G wireless networks. AT&T, meanwhile, is looking to roughly double its fiber-optic network, which lets it sell both broadband service and video packages.

The joint venture comes after Congress passed legisla-

tion in 2021 as part of a bipartisan infrastructure bill that provides \$42.5 billion to fund broadband deployments in the country.

AT&T has shed its media businesses to refocus on its core wireless and broadband services.

AT&T's fiber network currently reaches about 18.5 million locations and has about 7 million connections. The network serves 21 states, mostly in the South and Midwest, as well as California, Texas and Florida.

The company said Friday that the joint venture would be in addition to its current

goal of reaching more than 30 million fiber locations, including businesses, by the end of 2025.

The new venture is expected to include a project AT&T has already announced to roll out a fiber network in Mesa, Ariz., where it would compete with cable company Cox Communications Inc. and others.

Fiber-optic connections, which make up the internet's critical infrastructure, already have major players dominating the space including Microsoft Corp., Google parent Alphabet Inc., Meta Platforms Inc. and Amazon.com Inc.

MARKETS

Stocks Edge Higher on Spending Data

Michigan consumer survey paints households as optimistic on economy

BY MATT GROSSMAN
AND CAITLIN OSTROFF

Wall Street traders left for Christmas in sedate spirits after a day of modest gains failed to arrest the S&P 500's skid to a third straight week of losses colored by fears of inflation and recession.

FRIDAY'S MARKETS

Indexes began Friday lower after Commerce Department figures showed prices for services continued to climb faster than hoped last month. But stocks edged into positive territory after the mid-morning release of the University of Michigan's consumer survey painted households as optimistic about the economy.

In choppy trading, the S&P

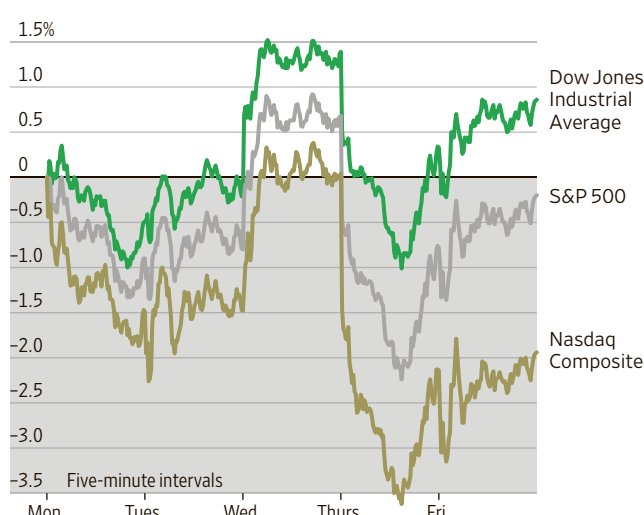
gained 22.43, or 0.6%, to 3844.82, while the tech-focused Nasdaq Composite rose 21.74, or 0.2%, to 10497.86. The Dow Jones Industrial Average rose 176.44, or 0.5%, to end at 33203.93.

A three-week string of losses for the S&P and the Nasdaq have set markets up to end 2022 with a down month. The S&P has given up 5.8% in December, while the Nasdaq has lost 8.5% and the Dow industrials 4%.

"Equities are left with a pretty difficult backdrop, and also one that's going to be pretty unlikely to result in much multiple expansion," said Ed Perks, chief investment officer at Franklin Templeton's Franklin Income Investors.

Given how closely corporate earnings are tied to consumer behavior, traders are sensitive to any evidence of how well American wallets are navigating inflation and slowing growth. Jobless claims remain

Index performance this past week



Source: FactSet

historically low, yet layoffs are mounting. Friday's data indicated consumer-spending growth slowed in November versus October, so the morning's strong Michigan survey came as a small relief.

"What you're willing to pay at the pump, what you're willing to pay at the grocery store, that's what's going to guide markets and the Fed next year," said Matthew Bartolini, head of SPDR Americas

research at State Street Global Advisors.

Bonds fell Friday as traders guessed that signs of persistent inflation increased the likelihood the Fed will keep interest rates high for longer into the future. Friday's personal-consumption expenditures data—the Fed's preferred gauge of inflation—showed prices for services rose 0.4% in November, a troublesome pace when annualized.

The yield on the two-year Treasury note, sensitive to near-term Fed policy expectations, rose to 4.321% from 4.263% Thursday, ahead of an early 2 p.m. bond-market close before the holiday. The benchmark 10-year yield climbed to 3.746%, up from 3.669% a day earlier. Yields rise when bond prices fall.

The Fed's 2022 interest-rate hikes have sent Treasury yields soaring this year, rattling the stock market by offering investors attractive returns on ultra-safe government bonds.

More recently, fears of a recession have added to equity-market woes. Indexes have risen off 52-week lows notched in autumn, but the S&P and Nasdaq remain on track for double-digit losses in 2022.

Brent crude, the international benchmark for oil prices, gained 3.6% to \$83.92 a barrel.

Overseas, the pan-continental Stoxx Europe 600 closed less than 0.1% higher. In Britain, the FTSE 100 rose less than 0.1% in a shortened trading session. In Asia, major indexes closed with losses. South Korea's Kospi fell 1.8%, Hong Kong's Hang Seng edged down 0.4%, and China's Shanghai Composite shed 0.3%. Japan's Nikkei 225 declined 1%.

Listen to a Podcast

Scan this code for a podcast on how stock pickers have fared this year.

Massive Government Borrowing Looms Over European Markets

BY CHELSEY DULANEY

Investors are bracing for European governments, led by Germany, to flood the market with new debt next year as they spend heavily to shield their economies from high energy costs.

Governments in Europe are expected to increase bond issuance by 10% to €1.2 trillion in 2023, equivalent to around

\$1.27 trillion, according to data from Danske Bank A/S that covers 13 countries. That comes as the European Central Bank steps back from its role as a voracious buyer of eurozone government bonds, with plans to start shrinking its bond portfolio starting in March.

Germany earlier this month surprised investors by announcing it would sell roughly €300 billion in bonds in 2023—a record and up by about €70 billion from this year. The new borrowing will help fund a €200 billion energy-relief package and additional spending on defense and climate-change projects.

The flood of new debt marks a departure for fiscally cautious Germany and could give other eurozone countries more breathing room also to increase their debt issuance, said Piet Haines Christiansen, a fixed-income strategist at Danske Bank.

"It is a fundamental change for Germany," said Mr. Christiansen. "It gives other eurozone countries some leeway."

European countries have earmarked €705.5 billion to protect consumers from the rise in energy costs, according to Brussels-based think tank Bruegel.

Investors will need to soak up an additional €600 billion next year, according to Danske Bank data that includes the effect of the ECB's plans to shrink its bond portfolio starting by around €15 billion a month. The ECB isn't planning to sell bonds outright but instead will reinvest fewer of the proceeds from maturing bonds.

Since the ECB started its bond-buying program in 2015, it has acquired more bonds than governments have issued as it amassed a €5 trillion portfolio.

Bond supply hitting the market next year will be the largest since the ECB launched the program, and only the third time in nine years that



The ECB, headquartered in Frankfurt, plans to start shrinking its bond portfolio starting in March.

net bond supply is positive, meaning there will be more bonds sold than the ECB is buying. (The ECB doesn't buy bonds directly from governments. It purchases them in secondary markets.)

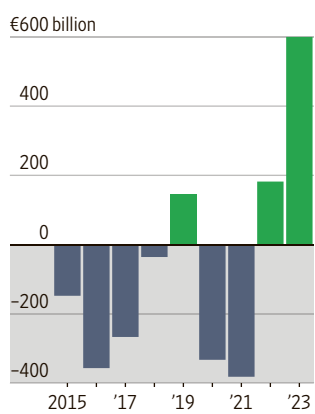
"It's a completely new world," said Mr. Christiansen. "The ECB was an enormous, one-sided buyer that will no longer be an active player to push rates lower."

Few investors or analysts see supply worries spilling over into a full-blown eurozone debt crisis. But governments will be forced to borrow at higher interest rates, and investors could face even more volatility after the worst-ever year for the bloc's bond markets. An index of eurozone government bonds is down 16% this year, by far the worst performance in its 37-year history, according to index provider ICE Data Services.

"I don't think anyone expects a buyers' strike," said Orla Garvey, a senior fixed-income portfolio manager at Federated Hermes. "If there's a huge supply, you want to be sure you're buying them at the right price. That doesn't need to be spun into something very disruptive for the market, but there has to be some expectation that buyers will demand more risk premium."

The yield on Germany's 10-year government bond has gone from negative 0.1% at the start of this year to 2.4% on Thursday. Italy's benchmark bond yields have almost quadrupled, while Spain's have increased nearly sixfold. Yields

Eurozone government bonds on sale to investors



Note: Total issuance, minus bond redemptions, minus European Central Bank bond activity. €1=\$1.06
Source: Danske Bank

rise as prices fall.

Italy's borrowing will remain in the spotlight as one of the eurozone's most indebted countries and typically the most sensitive to market volatility. Italy this week said it planned to sell up to €320 billion worth of bonds in 2023, compared with €285 billion this year.

Italy's bond yields have been rising at a faster pace than those of Germany, which investors watch as a gauge of eurozone distress. A 10-year Italian bond yielded 2.2 percentage points more than a similar German one this past week, the largest difference since October.

Konstantin Veit, a portfolio manager at Pacific Investment Management Co., doesn't expect major disruptions in bond markets as the increase in

bond supply and the ECB's plans to start unwinding its bond portfolio have been well-telegraphed to markets.

"What matters much more to, for example, Italy, is the political developments in Italy or on the European level and not so much the supply picture, or ECB involvement," he said. "I tend to think that you need a surprise for this to be particularly relevant."

The U.K. offered investors one such surprise in September, when former U.K. Prime Minister Liz Truss laid out plans for tax cuts and an energy package that would have required a big increase in debt. Ms. Truss's government scrapped those tax-cut plans just weeks later after a historic selloff in U.K. government bond markets, before she announced her resignation in October.

Even without Ms. Truss's tax cuts, the U.K. is expected to issue £180 billion, equivalent to around \$217 billion, in new bonds in its fiscal year starting in April, up from £90 billion this year according to data from JPMorgan Chase & Co. That includes the effect of bond redemptions and the Bank of England's bond-selling plans.

"That supply worries me, and that's why I'm buying U.S. Treasuries," said David Coombs, head of multiasset investments at the U.K. fund manager Rathbones.

"I'm not being adequately compensated for the risk of lending to the U.K. government," Mr. Coombs said.

Microsoft Deal Boosts LSE Quest For Data Strength

BY JOSH MITCHELL

LONDON—The London Stock Exchange Group PLC has staked its future on financial data. A new deal with Microsoft Corp. means it poses a bigger threat to industry leader Bloomberg LP, analysts say.

LSEG said Dec. 12 that it would spend \$2.8 billion over the next decade on Microsoft products, mainly cloud service. As part of the deal, Microsoft will take a 4% equity stake in LSEG, buying stock from some of the company's major existing shareholders.

LSEG is Europe's largest exchange operator, based on the market value of its own shares. While it runs storied exchanges in London and Milan, nowadays much of its focus is on financial data.

The company owns a mountain of data, thanks partly to the trades its platforms handle and through its \$15 billion purchase of Refinitiv Holdings Ltd., the financial-information and terminal business. That purchase, from a consortium of Blackstone Inc. and Thomson Reuters Corp., closed last year.

Refinitiv is one of Bloomberg's top competitors in selling financial data to investors, corporations and other clients. Bloomberg and Refinitiv compete with Dow Jones & Co., the parent company of The Wall Street Journal.

Microsoft has the Azure cloud-computing platform, Teams conferencing software and other technology.

Melding LSEG's data and Microsoft's tech represents the biggest threat yet to Bloomberg's financial-data busi-

ness, said Robert Iati, managing director of research firm Burton-Taylor International Consulting. Bloomberg's competitors include LSEG's Refinitiv unit and FactSet Research Systems Inc.

Bloomberg didn't respond to requests for comment.

For years, companies have attempted to take on Bloomberg's terminal business but failed to make much headway, largely because users struggled to communicate while using real-time data, Mr. Iati said. "Everybody wants to get Bloomberg," he said. "One of the primary reasons that the Bloomberg terminal is so sticky is its communication," he said, pointing to the terminal's instant-messaging feature.

Integrating Teams into the Refinitiv platform could change that, he said. "I think it's a really good move for the LSE," Mr. Iati added.

LSEG leaders and others said by shifting to the cloud, Refinitiv will save on data-storage costs, and data will be more readily available outside the office.

"With cloud you just call up Microsoft—they already have the capacity," rather than buying more servers, said Michael Werner, a UBS analyst. "It just makes it easier to be more flexible in how much data and processing power you demand."

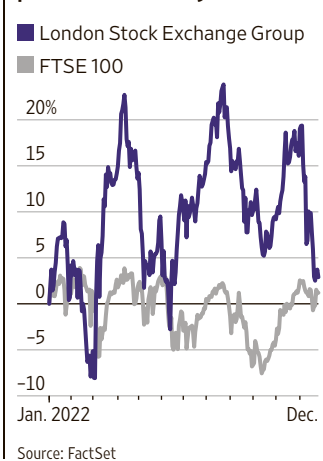
Anna Manz, LSEG's chief financial officer, said Microsoft's tech, including machine learning and cloud computing, will make financial models that use LSEG's data more accurate.

Incorporating Teams will speed financial trades and enhance communication between advisers and clients, she said. "We can make it a much more valuable tool than a portal that contains data and analytics," Ms. Manz said.

LSEG is at least the third big exchange since fall 2021 to reach a cloud-computing deal with a tech company, joining CME Group Inc. and Nasdaq Inc.

The deal comes at a critical moment for the London exchange and the city as a financial hub. Initial public offerings are down sharply since the pandemic, and London is facing growing competition from Amsterdam, Paris and other cities as Europe's biggest financial center after Britain's exit from the European Union.

Share-price and index performance this year



Source: FactSet

Private-Equity Firms Count on Energy Exits to Win Investors

BY LUIS GARCIA

Private-equity firms are scoring multibillion-dollar sales of assets in the oil patch after a long lull in buyer appetite.

As they seek capital for new bets, those firms are hoping their profits can help them win back investors, including some that have stopped backing oil-and-gas-focused funds over climate concerns.

Ensign Natural Resources LLC, an oil-and-gas producer backed by Warburg Pincus and Kayne Anderson Capital Advi-

sors, last month agreed to sell its assets in South Texas's Eagle Ford Shale to Marathon Oil Corp. for \$3 billion in cash. The transaction is set to generate a roughly \$930 million payout for Kayne Anderson, or 8.6 times the \$108 million the Los Angeles-based firm has invested in Ensign, according to a message to investors viewed by The Wall Street Journal.

Kayne Anderson and Warburg join a number of private-equity firms that recently announced large exit deals in the oil patch. Sales of private-equity-backed energy exploration

and production assets in the U.S. totaled \$27.54 billion across 26 deals as of mid-December, according to energy software and data provider Enverus Inc. That is up about 12% from the \$24.51 billion recorded in all of last year across 31 transactions and the highest total since 2016, Enverus's data show.

A sharp rise in commodity prices following the pandemic, combined with capital discipline, has boosted public-energy company balance sheets.

That's encouraged them to make new acquisitions after years in retreat, creating exit opportunities for private-equity firms, bankers said.

"Public companies have so much cash available that they can afford to pay a pretty good price [for producing assets] and grow their business's free cash flow," said Muhammad Laghari, a senior managing director at Guggenheim Securities' energy-investment banking practice.

Colgate Energy Partners III LLC, a portfolio company of

Pearl Energy Investments and NGP Energy Capital Management, in September combined with publicly traded Centennial Resource Development Inc., now called Permian Resources Corp., in a transaction that valued Colgate at about \$3.9 billion, including \$1.4 billion in debt.

That same month, Quantum Energy Partners agreed to sell THQ Appalachia I LLC, an oil-and-gas company that does business as Tug Hill, and pipeline operator THQ-XcL Holdings I LLC, known as XcL Mid-

stream, to natural-gas producer EQT Corp. in a \$5.2 billion cash-and-stock deal. Quantum has told investors it would earn about four times the roughly \$900 million total it has invested in the two companies, according to people familiar with the matter. Regulators have yet to approve the deal.

Private equity-backed energy companies in recent years have benefited from rising oil-and-gas prices and a focus on production growth as opposed to the asset-flipping model of the past.