

## What's News

### Business & Finance

- ◆ **Investors** are growing more concerned the 2023 stock rally will end after Powell suggested the Fed will likely keep rates high for the foreseeable future and as rising bond yields dent the attractiveness of equities. **A1**
- ◆ **Central bankers** from around the world voiced uneasy optimism that inflation is slowing, after their meeting in Wyoming. **A2**
- ◆ **Utilities across the West** are pushing to get power shut-off plans in place as wildfire risk rises, making outages likelier for customers in the future. **A1**
- ◆ **3M is nearing** a settlement to resolve 300,000 claims from veterans who say earplugs made by the company failed to protect them from hearing loss. **B1**
- ◆ **Nvidia's earnings** showed strong demand will likely carry its chip business to new heights, but concerns persist about how long the boom will last. **B1**
- ◆ **Crowdfunding**, usually associated with artists and startups, is being increasingly used by big manufacturers to gauge consumer interest in products. **B3**
- ◆ **Subpar results** from retailers including Macy's and Dick's indicate consumers, pressed by debt and inflation, are redirecting spending from certain products. **B3**
- ◆ **Alumni of Fidelity**, a 77-year-old cornerstone of traditional finance, have become some of the most prominent players in cryptocurrency. **B1**
- ◆ **Dating-app companies** such as Match Group and Grindr are adding new premium tiers, hoping users will pay more for love. **B4**
- ◆ **A Brookfield-backed** carbon-capture venture has been blocked by a California restriction on pipelines, an example of uncertainties for clean-energy investors. **B7**

### World-Wide

- ◆ **Ideology is driving** China's economic policy to a degree not seen since the country's opening to the West nearly half a century ago, deterring its leaders from taking steps to spur the stalling economy. **A1**
- ◆ **Countries around the world** are already contemplating what would happen if Trump returns as president, with U.S. allies nervous even as other nations see benefits. **A1**
- ◆ **A 21-year-old man** was identified as the white shooter who killed three Black victims at a dollar store in Jacksonville, Fla., in what police called a racist attack. **A3**
- ◆ **The death of Prigozhin** in a plane crash was confirmed by the Kremlin, which said genetic testing was able to identify all 10 people who were aboard the aircraft. **A8**
- ◆ **Zimbabwe's president** was declared the winner of a second term, after the fairness of the national election was criticized by international observers. **A18**
- ◆ **Tropical Storm Idalia** gained strength and speed as it moved toward the Florida Gulf Coast, and was threatening to reach hurricane status by midweek. **A3**
- ◆ **Three U.S. Marines** were killed in the crash of their Osprey aircraft on a remote island in Australia as they supported a training exercise. **A18**
- ◆ **Commerce Secretary Raimondo** arrived in Beijing to begin a four-day visit to China aimed at easing tense trade relations. **A4**
- ◆ **Died:** Bob Barker, 99, longtime host of the game show "The Price Is Right." **A5**

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## Mourners Turn Out as Prigozhin Death Confirmed



**MAKESHIFT MEMORIAL:** People gathered at a tribute in Moscow to Yevgeny Prigozhin, who headed the Wagner paramilitary group and whose death Russia officially confirmed Sunday. The leader of a short-lived rebellion was killed in a plane crash. **A8**

## Higher Rates Loom Over Market

Expectations that long-term yields will stay elevated put pressure on stocks

By KAREN LANGLEY

Jerome Powell's much-anticipated speech Friday did little to resolve the conflict gripping markets late this summer: whether a rapid climb in interest rates spells doom for the surprising 2023 stock-market rally.

The Federal Reserve chair said in his address at the Kansas City Fed's annual symposium that inflation remains too high and officials are open to raising rates again if needed.

He suggested that interest rates could stay high for the foreseeable future, keeping borrowing costs elevated and, in turn, pressuring stocks as investors more deeply discount the value of future corporate earnings.

The message wasn't terribly different from his previous comments, analysts and investors said. But it wasn't music to the ears of the many portfolio managers who have been crossing their fingers that the fastest rate cycle in decades is finally at an end.

Stocks rose Friday, a rare advance in an August slog for U.S. indexes, but futures markets showed a growing expectation that rates could stay higher for longer. Higher yields

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## Utilities Face Major Dilemma: Shut Off Power or Risk Fires

By KATHERINE BLUNT

About three years before the fires in Hawaii, hot, dry winds threatened to sweep western Oregon and elevate the risk of wildfire. State officials advised utility companies to do something unusual: preemptively shut off power lines to prevent sparks.

PacifiCorp, a utility company serving parts of Oregon and other Western states, didn't shut off its lines. Three years later, the unit of Berkshire Hathaway is embroiled in

litigation over whether it was negligent in failing to take that step, a wildfire prevention measure that to date has rarely been used outside California.

Oregon's 2020 Labor Day fires burned more than 1.2 million acres, destroyed more than 5,000 homes and businesses, and killed nine people. PacifiCorp's power lines are believed to have played a role in several of the fires, though official investigations are pending and the company denies negligence.

Now, utilities across the

West are pushing to get shut-off plans in place as wildfire risk—exacerbated by heat, drought and climate change—increases alongside litigation risk. Industry executives and observers expect companies to employ this strategy more frequently, making it likely that more utility customers will experience outages during fire season for years to come.

"Climate change is driving much more extreme conditions," said Ryan Murphy, director of electric operations at Puget Sound Energy, which

serves 10 western Washington counties. "As the risks change, so must our tools and so must our processes."

Murphy said the company began last year assessing its riskiest circuits and conferring with customers, local officials and others about how to best communicate the need for outages and minimize their impact. It aims to have an initial shut-off plan in

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## A Sperm Donor's Quest to See Kids

Man chases a role in the lives of the 96 children he fathered

By AMY DOCKSER MARCUS

Dylan Stone-Miller took a 9,000-mile road trip this summer to see some of his 96 children.

Emotionally, logistically, in all ways, it is complicated for the kids, their families and for Stone-Miller, a prolific 32-year-old sperm donor. His road trip is part of a larger odyssey—to figure out how he fits in the lives of the boys and girls he fathered in absentia. It began three years ago, when he first saw a photo of one of his biological children, a toddler named Harper who had his blue eyes and his sister's blond curls. He got tears, he

recalled, and unexpected feelings of kinship.

"I think of her as my first child," Stone-Miller said. He met Harper when she was 3 and decided he wanted to foster relationships with as many of the children as possible. He quit his job as a software engineer and has funded his quest with savings. So far, Stone-Miller has met 25 of his biological children. Because tracking progeny from a donor isn't always reliable, "I will never know for sure how many children I have," he said.

Stone-Miller's mission is itself an accident of birth, springing from the unfore-

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## INSIDE



### SPORTS

Novak Djokovic has a new, much younger rival in Carlos Alcaraz. **A14**



### PERSONAL TECHNOLOGY

Joanna Stern searches for the best EV under \$60,000. **A12**

## Ideology Drives Plans For China's Economy

By LINGLING WEI AND STELLA YIFAN XIE

HONG KONG—Ideology is driving China's economic policy to a degree not seen since the country's opening to the West nearly half a century ago, deterring its leaders from taking steps to spur the sputtering economy.

Economists and investors have been calling on Beijing to make bolder efforts to boost output—especially by promoting consumer spending, if necessary, by offering cash handouts, as the U.S. did during the pandemic.

Accelerating China's transition to a more consumer-led economy—such as that of the U.S.—would make growth more sustainable in the long term, economists said.

But top leader Xi Jinping has deep-rooted philosophical

objections to Western-style consumption-driven growth, people familiar with decision-making in Beijing said. Xi sees such growth as wasteful and at odds with his goal of making China a world-leading industrial and technological powerhouse, they said.

Xi believes Beijing should stick to fiscal discipline, especially given China's deep debt. That makes stimulus or welfare policies akin to those in the U.S. and Europe less likely, the people said.

Also unlikely are major market-oriented changes, or a dramatic reversal in the multi-year shift toward more centralized control of the economy. Although Beijing has eased off efforts to clamp

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- ◆ **Raimondo, in China, aims to ease tensions.....** A4

## 'Look, Muffy, A Book For Us' 1980s Preppy Handbook is again a must-read

By JOHN CLARKE

G. Daniel Brown, a retired teacher in Saginaw, Mich., paid about \$100 for a paperback not long ago. That is jaw-dropping considering that the volume, "The Official Preppy Handbook," was published in 1980, retailed for \$3.95 and is now out of print.

"It is worth every cent to have this little gem in my library," says Brown, who describes his sartorial leanings

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## Three Marines Killed in Crash



Survivors were transported to Darwin after the crash of an Osprey aircraft killed three U.S. Marines on a remote island in northern Australia during a training exercise Sunday. **A18**

## World Mulls Prospect Of a New Trump Term

The U.S. presidential election is more than a year away, but allies and adversaries around the world have already begun to contemplate—and even plan for—the possible return of Donald Trump to the White House.

By Stacy Meichtry in Paris, Austin Ramzy in Hong Kong and Bojan Pancevski in Berlin

For many foreign capitals, the possibility of a second Trump administration is a source of anxiety. Allies from Paris to Tokyo regard Trump, the front-runner for the GOP nomination, as an erratic leader with little interest in cultivating long-term ties to counter Russian and Chinese expansionism.

Others, including Beijing and Moscow, see potential benefits from Trump, whom they view as a transactional leader who might be willing to strike deals to ease tensions in hot spots such as Ukraine and Taiwan, according to analysts. Nationalist and populist politicians also voice support for Trump's ambitions.

Policy makers and politicians were reluctant to make public statements that might rile the current administration or an incoming one. But officials interviewed by The Wall Street Journal did share their thoughts about what a Trump return to the world stage

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- ◆ **Trump's party rivals make little headway.....** A4





# U.S. NEWS

THE OUTLOOK | By Chelsey Dulaney and Eric Wallerstein

## Emerging Markets Take Hit From U.S., China

Rising U.S. interest rates and China's economic sluggishness are dealing a double blow to emerging markets.

Investors had expected developing economies from Brazil to Thailand to shine this year as U.S. interest rates fell, the dollar weakened and Chinese demand rebounded after three years of pandemic-driven lockdowns.

Instead, the reverse happened: The Federal Reserve kept raising U.S. interest rates to slow inflation, driving the dollar higher. Separately, China's recovery faded amid fears its economy is entering an era of slower growth. Disappointed investors are now dumping assets across the developing world.

The retrenchment underscores the risks still looming over the global economy this year even as some central banks wind down their aggressive inflation-fighting campaigns. Investors are recognizing that U.S. interest rates will likely stay higher for longer than they expected, a shift that sent Treasury yields to their highest levels in nearly 16 years this month.

While Fed Chair Jerome

Powell on Friday argued for holding rates steady for now, he kept the door open to raising them later this year if the U.S. economy doesn't slow enough to keep inflation declining.

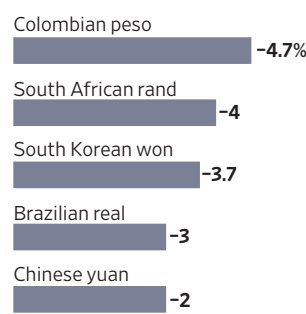
U.S. borrowing costs and the dollar are the backbone of global financing markets, and their fluctuations have far-reaching effects.

"Everyone was excited about emerging markets at the beginning of the year," said Phillip Wool, head of research at Rayliant Global Advisors, a \$17 billion emerging-market asset manager. "It's clear that sentiment for rates remaining higher for longer is growing in the U.S. now, so it might be some time before the Fed eases, the dollar weakens and manufacturing rebounds."

MSCI's benchmark index of emerging-market stocks has tumbled 7.3% in August, on track for its worst month in almost a year. The Colombian peso has shed 4.7% against the dollar, while India's rupee and China's offshore yuan have traded near record lows.

Emerging markets are especially sensitive to Fed policy because higher U.S. rates make riskier assets less attractive to investors.

### Foreign currencies' losses against the U.S. dollar in August



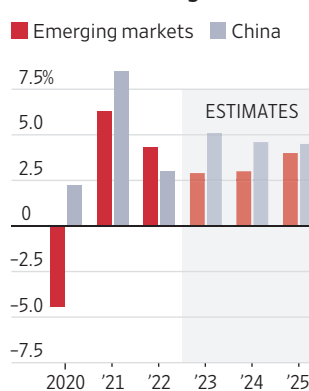
\*Inflation adjusted  
Sources: Tullett Prebon (losses against dollar); Oxford Economics (economic growth)

The extra yield that emerging-market bonds offer over their U.S. counterpart has fallen to the lowest level since 2007, according to Allianz Global Investors. U.S. Treasuries now offer roughly 2% annual returns on top of inflation.

"The worse the interest-rate differential, the more reluctant people are to invest in emerging markets," said Sergi Lanau, director of global emerging-market strategy at Oxford Economics.

Higher U.S. rates also typically boost the dollar, making it more expensive for other countries to buy goods priced in dollars or service

### Annual economic growth\*



their dollar-denominated debts. The greenback has risen for six straight weeks, bringing its gains for the year to 2.2% as measured by the WSJ Dollar Index.

The current situation will make it hard for emerging markets' central banks to cut their own interest rates to stimulate their economies as they slow further. Many of them began raising rates in 2021—well before the Fed did—boosting their credibility as aggressive inflation fighters, said Richard House, Allianz Global Investors' head of emerging-market debt. Now, many are switching to lowering rates as inflation falls, with Chile and Brazil leading the way. But

that risks further eroding the attractiveness of their countries' assets.

"The market's reassessment of the Fed...probably will limit the number of rate cuts emerging-market central banks are able to achieve," said Kieran Curtis, head of emerging-market local-currency debt at Abrdn.

Analysts don't believe the selloff portends the return of extreme market turmoil. But higher U.S. rates will make it more difficult for countries such as Kenya or Egypt to borrow in foreign markets. Some of the most fragile developing countries were frozen out of debt markets last year after Russia's invasion of Ukraine exacerbated price pressures and prompted global central banks to raise rates.

"They still have a problem," said Lanau. "For most of these places, people are not willing to buy any of these bonds" except at unsustainably high interest rates.

China's economic malaise is also a disappointment for investors who hoped Beijing's abandonment of strict zero-Covid policies would drive up demand for oil, metals and goods produced by other

emerging markets.

Beijing appears reluctant to use the type of forceful economic stimulus measures that it had used in previous slowdowns. It is weighed down by debt, the real-estate market is in crisis, and it is running out of new things to build to boost growth.

Global investment banks, including Barclays, now estimate China's economy will grow less than 5% this year, below Beijing's target.

Some analysts still see reason for optimism. The remapping of global supply chains is benefiting countries such as Mexico, while government investment in the clean-energy transition is expected to spur growth in emerging economies. Asian countries such as South Korea have had success in tilting trade away from China and toward other markets such as the U.S. and Europe.

"The difference between today and two decades ago is that China was the driver of emerging markets then," said Marko Papić, chief strategist at Clocktower Group, an asset manager based in Santa Monica, Calif. "Now, it will be capital expenditures around the world."

## High Rates Loom Over Stocks

Continued from Page One typically dent the attractiveness of risky investments such as stocks by providing opportunities for returns elsewhere in the markets.

"At what point does the bond market provide competition to the stock market in the eyes of investors?" said David Donabedian, chief investment officer of CIBC Private Wealth US.

Although U.S. indexes remain in the green for the year, this month has been difficult for investors in riskier assets. Signs of continued strength in the U.S. economy, a flood of Treasury debt sales and expectations that the Fed could keep rates higher for longer lifted government bond yields to decade-plus highs.

Traders assigned on Friday a 54% probability to the central bank lifting rates again by the end of the year, up from the 32% chance they estimated a week earlier, according to CME Group's FedWatch tool.

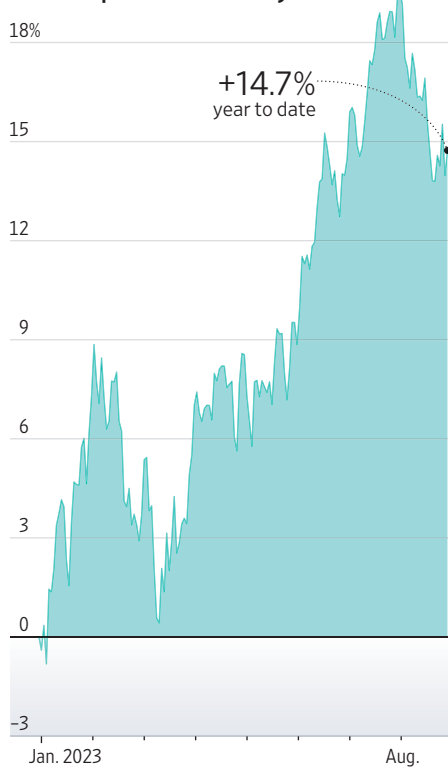
Investors also are foreseeing a longer horizon before the central bank starts to reverse course.

Traders see a 62% chance that the Fed by next June will have cut rates from current levels, down from the 83% probability they assigned one week earlier.

Investors plan on Thursday to parse a new release of the Fed's preferred gauge of inflation, the personal-consumption expenditures price index, as well as Friday's monthly jobs report, as they try to anticipate the market's next turn. They also will review earnings reports from the likes of Best Buy, Salesforce and Dollar General.

The creeping shift in the rates picture coincides with signs that the artificial-intelligence trade is fizzling. Nvidia, the graphics-chip maker at the heart of the AI boom, gave another blockbuster forecast on Wednesday while reporting record sales for the latest quarter. But the numbers

### S&P 500 performance this year



Source: FactSet

### Yield on 10-year Treasury inflation-protected securities



### S&P 500 price/earnings ratio, next 12 months



failed to power a broader market rally. Some analysts have suggested that even a very rosy earnings picture is reflected in the shares.

The recent climb in long-term bond yields, meanwhile, has accentuated concerns that the stock market as a whole is trading at lofty valuations that leave it vulnerable to disappointing news. While buzz about AI and growing confidence in the economy have driven stocks higher this year, forecasts for corporate earnings have risen more modestly. The stronger growth in share prices has left the market looking richly valued compared with history.

"U.S. stocks are really in a difficult position," said James St. Aubin, chief investment officer at Sierra Mutual Funds. "They've been bid up to the point where the earnings multiple is extended and fundamentals will have to validate that move."

That is especially true, many investors argue, given the recent climb in long-term

interest rates. The yield on the 10-year U.S. Treasury note rose to as high as 4.339% in recent days, its highest since 2007 and up from 3.956% at the end of July. Rising yields drive up borrowing costs throughout the economy and tend to reduce the prices that investors are willing to pay for investments, such as stocks, that are valued based on future cash flows.

Some analysts place a particular significance on moves in real yields, a measure of the return on Treasury bonds that is adjusted for inflation. Based on 10-year Treasury inflation-protected securities, real yields recently hit 2%, a level not seen since 2009.

Since companies are often able to pass along higher input costs to customers by raising their own prices, these analysts believe that real yields are the appropriate rate to use in gauging stock valuations. Others said real rates are especially important because they show the true cost of money in the economy, aside from fluctuating inflation.

In any case, rising interest rates threaten share prices by offering investors competing ways to earn a return—a major shift in the financial landscape after years of rock-bottom rates led many to believe there were no meaningful alternatives to stocks. Higher rates also dent the worth of future earnings in widely used pricing models. The result, if the market accepts those trimmed-down prices, would be stocks trading at lower multiples of their projected earnings.

"Valuations at some point are going to have to acknowledge the move in interest rates and the real rates," said Lisa Shalett, chief investment officer at Morgan Stanley Wealth Management. "As your cost of capital goes up, your valuation multiples go down. It is just math."

The broad stock index is trading at 18.6 times its projected earnings over the next 12 months, according to FactSet.

That is up from 16.6 at the start of the year and above the 15.8 multiple at which it has traded on average over the past 20 years.

"In a 2% real-yield world, can you justify a 19 multiple on the market? It seems a little rich," Donabedian said.

## Central Bankers Air Uneasy Optimism

By Nick Timiraos

JACKSON HOLE, Wyo.—Central bankers from around the world are finally getting the inflation slowdown they have long been expecting, but worry it won't last.

That apprehension explained the uneasy optimism underlying their discussions here in the Wyoming mountains this past weekend about whether interest rates have reached a summit.

Federal Reserve officials are grappling with new economic crosscurrents. U.S. consumer spending has grown faster than they expected, buoyed by higher inflation-adjusted wages. Stronger demand prompted concerns that it might prevent inflation from falling further.

But a surge in long-term government bond yields—combined with weakening growth abroad—could help touch off the U.S. economic slowdown that Fed officials have tried to engineer by raising rates aggressively. That could help sustain inflation's descent.

"We are very close to a good point, and then we'll let the economy tell us" how long to keep rates high, Cleveland Fed President Loretta Mester said in an interview Saturday that summed up two days of presentations, discussions, dinner-table conversation and hiking.

Kristin Forbes, a professor at the Massachusetts Institute of Technology, compared the job facing central bankers to hiking a mountain where the trail disappears above the tree line.

"You know where you want to go. You know where the summit is, but there are no more markers and you have to feel your way," Forbes said in an interview. "And even though you've covered most of the distance, that can be the hardest part. It's steeper. It's rockier."

Fed officials lifted their benchmark federal-funds rate last month by a quarter-percentage-point to a range between 5.25% and 5.5%, a 22-year high. In June, most officials thought they would raise it by another quarter point this year. The Fed's next meeting is Sept. 19-20.

Fed Chair Jerome Powell said Friday the central bank could "proceed carefully," implying officials would hold rates steady next month and decide whether to raise them in November or December.

Mester said she was evaluating how and whether the higher bond yields would offset strong consumer spending. She thinks the Fed will probably have to raise rates once more, "but it doesn't have to be in September," she said.

Other policy makers highlighted the potential for a slowdown in China's property sector to create a bigger downturn in the world's second-largest economy and a major global trade partner. "The pace of economic activity in China has been a disappointment," said Bank of Japan Gov. Kazuo Ueda on Saturday.

U.S. inflation has retreated from a 40-year high in June 2022. The consumer-price index rose 3.2% in the 12 months through July this year. Core prices, which exclude volatile food and energy categories, rose just 0.2% on a monthly basis in June and July.

Reducing annual inflation all the way to the 2% rate seen before the pandemic could be more difficult if workers' rapid income growth is primarily responsible for strong demand or companies' raising consumer prices to cover those costs. That could require a sharper slowdown in hiring to bring down inflation.

"The hardest part now is bringing down domestic services inflation and wage inflation," said Forbes, a former member of the Bank of England's monetary policy committee. "It looks like things are heading in the right direction. The challenge is will it continue to head in that direction for long enough?"

Officials are also trying to understand how past policy moves could slow the economy going forward. In a ballroom under elk-antler chandeliers, central bankers debated new research on the impact of higher rates on technology-intensive spending, including venture capital investment. The paper suggested such "innovation activities" could be more sensitive than some other sectors to higher interest rates.

"If everything becomes like the service sector and is not interest-rate sensitive, then our job just got a lot harder," said Chicago Fed President Austan Goolsbee. But if newer, innovation-intensive investments are in fact more sensitive to higher rates, the Fed can more easily slow economic activity, he said.

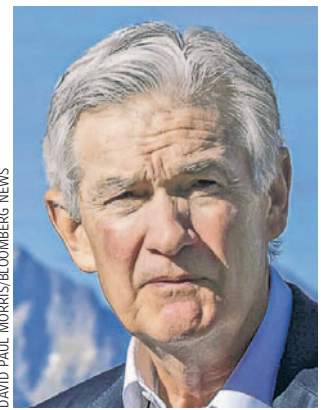
**Many portfolio managers had hoped the rate cycle was finally at an end.**

## CORRECTIONS & AMPLIFICATIONS

Artist Wendy Red Star created "The Soil You See," a glass thumbprint with the names of the Apsáalooke Nation chiefs who signed land treaties with the U.S. government. A photo caption with Friday's U.S. Watch incorrectly omitted the artist's name, and it didn't specify that the chiefs were from the Apsáalooke Nation.

In 2021 and 2022, the inflation-adjusted cost per square foot of U.S. homes increased 10% to 13% a year, according to John Burns Research and Consulting. A Page One article on Wednesday about the shrinking size of new single-family homes incorrectly said it was nearly 4% a year.

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



Jerome Powell

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## U.S. NEWS

# Florida Gunman Targeted Black People In Killings

By MARIAM TIMMS

Authorities in Jacksonville, Fla., identified a local 21-year-old Sunday as the white gunman who shot and killed three Black victims at a Dollar General store before killing himself, an attack that officials said was racially motivated.

Ryan Christopher Palmeter, who is believed to have died by a self-inflicted gunshot wound at the scene, entered the store Saturday afternoon wearing a tactical vest and carrying a handgun and a military-style semiautomatic rifle with swastikas marked on it, according to police.

"He targeted a certain group of people, and that's Black people," Jacksonville Sheriff T.K. Waters said at a Saturday evening news conference. "I don't know that the targets were specific, but I know that anyone of that race at that time was in danger."

The shooter left behind numerous racist writings, which he alerted his father to by text message during the approximately 11 minutes he was inside the Dollar General, Waters said.

The sheriff's office on Sunday identified the victims as Angela Michelle Carr, 52, Anolt Joseph "AJ" Laguerre Jr., 19, and Jarrald De'Shaun Gallion, 29.

Carr was shot while she sat in a vehicle parked outside the store, and the other two were killed inside. The shooter fired several other rounds at other patrons who were inside and at a security camera, Waters said.

The sheriff said Sunday the shooter purchased both firearms legally this year. Investigators have no indication that the shooter was part of a larger group, he said.

President Biden condemned the attack Sunday. "We must refuse to live in a country where Black families going to the store or Black students going to school live in fear of being gunned down because of the color of their skin," he said.

Attorney General Merrick Garland said the Justice Department was investigating the shooting as a hate crime.

Saturday's attack is the latest in a string of shootings that appeared to be fueled by racial animus, including a racist massacre at a Buffalo, N.Y., supermarket last year.



# New York Officials Clash Over Migrants

By ERIN AILWORTH AND LIYAN QI

NEW YORK—Gov. Kathy Hochul and Mayor Eric Adams promised to be better partners than their predecessors. A migrant crisis—and who is to blame for it—is testing their resolve.

As the job of housing migrants—required because of a decades-old legal obligation to shelter people in need—gets harder, Adams and other local officials have increasingly turned their frustration at Hochul. Those critics, as well as housing and homelessness advocates, say she has led an inadequate state response to the crisis. She has hit back that Adams was slow to take her up on offers to help.

Much of the criticism has centered on the lack of a statewide plan to address the hundreds of migrants arriving in New York City daily. It was this past May, roughly a year after the city began seeing an uptick in migrant arrivals, that Hochul declared a state disaster emergency. She has allocated \$1.5 billion to supporting migrants, as well as four sites for shelters that are either on state-owned land or state-funded, like one on Randall's Island.

Built in 10 days this month, the complex of white tents and trailer shower facilities at Randall's—an island park sandwiched between the Har-

lem and East rivers—is the city's 203rd emergency shelter for migrants. Over 100,000 migrants have come to New York City since spring 2022 and continue to arrive at a rate of more than 2,000 a week. As of last week, more than 59,000 were in the city's care.

"We've run out of space in New York City and we're making more space in parking lots and parks like this," said Dr. Ted Long, a senior vice president at New York City Health and Hospitals, which is managing the Randall's shelter. "New York state stepped up on this for sure."

Some 350 adults were staying at the shelter by Wednesday.

Without more support, New York City officials say they are at the point where shelters such as the one on Randall's Island will become more common.

"We need a real strategy," said Joshua Goldfein, staff attorney at the Legal Aid Society, which helped establish New York City's right to shelter. The governor "has not treated it as an urgent problem."

Hochul has become openly critical of Adams's handling of the situation and has publicly increased her own efforts in recent days. She announced last week a tentative agreement to put a shelter at a former naval air station, and on Thursday wrote to President



New York Gov. Kathy Hochul has allocated \$1.5 billion to support migrants. New York City Mayor Eric Adams has said other communities should also have to house migrants. Top, cots in a tent shelter for migrants outside a closed psychiatric center in Queens.



Biden to urge the administration to expedite work authorizations for incoming migrants and provide other aid to New York.

"This crisis originated with the federal government and it must be resolved through the federal government," she said Thursday.

Adams has said state law, upon which the city's right-to-shelter obligation is based, should compel the governor to require other communities to house migrants—something Hochul has ruled out. The Adams administration has estimated that migrants will cost the city \$12 billion by fiscal year 2025.

A lawyer for the state says the governor was engaged in the summer and fall of 2022,

including making space available at the Port Authority Bus Terminal for use as a migrant welcome center and encouraging the city to set up congregate shelters akin to those used after natural disasters.

Earlier this month, lawyers for the city and state met with a New York Supreme Court judge who might consider modifications to the decades-old legal right to shelter in New York City at the request of the Adams administration.

A lawyer for Hochul later blasted the city on several fronts, taking the Adams administration to task for failing to coordinate with the state and other communities before attempting to send migrants to be housed in hotels outside New York City.

New York City Comptroller Brad Lander, whose office is tracking city contracts and budgeting for services provided to asylum seekers, said all levels of government could better coordinate.

"What we need is an ambitious partnership at the city, state and federal levels, and it is not just disappointing but harmful that we don't have it," Lander said. Hochul and Adams have also called on Washington to do more.

The Adams administration is taking a second look at potential shelter sites that were previously rejected. The city initially passed on the parking lot at Creedmoor Psychiatric Center when the state made it available in May but opened a shelter there earlier this month.

Zach Iscol, New York City's commissioner of emergency management, said state aid has been helpful, particularly as the city maxes out its own resources to open ad hoc facilities in spaces such as former prisons and commercial buildings.

"It's not just space that we're out of, right? It's staffing, it's logistics, it's all of the operations that go into caring for 60,000 people on a daily basis with another 400 to 600 people coming every single day," Iscol said during a tour of a respite center for migrants in Queens.

# To Recruit Teachers, Schools Offer Affordable Housing

By CHRISTIAN ROBLES

Alexandria Millet found a way to sharply cut her rent this year and move closer to her job at Central High School in Kansas City, Mo.—live in a duplex built to house teachers.

A 10th-grade English and journalism instructor, Millet, 24 years old, now pays \$400 a month to live with two other teachers in a home provided through a partnership between Kansas City Public Schools and Teachers Like Me, a nonprofit building housing to help recruit Black teachers.

KCPS is one of several school districts across the country—in urban and rural areas from California to West Virginia and Florida—that are trying to use affordable housing to hire and retain teachers amid a nationwide shortage of both. The efforts join state and federal programs that have for years provided teachers grants and down payment assistance to purchase homes.

"Not having to pay high rent and having a program that supports you specifically in terms of housing" made it easier to stay in Kansas City, Millet said, as she wanted to do after working there a year as an AmeriCorps volunteer.

The low-cost housing "made it come together," said Millet, who is from Milwaukee. She earns about \$48,000 a year in a metropolitan area with a typical monthly apartment rent of \$1,437 in July, according to Zillow estimates.

Teachers Like Me opened its first duplex in February and has plans to house as many as 25 teachers, said Trinity Davis,



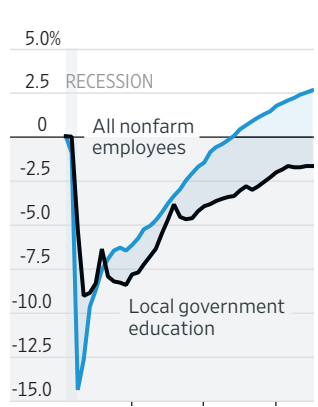
Alexandria Millet, a 10th-grade teacher at Central High School in Kansas City, Mo., pays \$400 a month to live in an affordable duplex with two other educators.

the organization's founder and a former Kansas City school administrator.

The Covid-19 pandemic prompted hundreds of thousands of teachers to leave the profession, many to earn more in other fields. State and local governments boosted pay, offered bonuses and eased hiring rules as they worked to fill teaching positions. As of July, government education payrolls still had about 136,000, or 1.7% fewer workers than in February 2020, before the pandemic hit the U.S. economy, Labor Department figures show.

Part of the problem is teachers' low pay compared with that of other workers with similar education levels, according to a 2022 report by the Economic Policy Institute, a think tank that advocates for

Change in payrolls from February 2020



Source: Bureau of Labor Statistics

lower- and middle-income workers. Median pay for high-school teachers was \$61,820 a year in 2021, according to the

most recent Labor Department data, with 10% of them earning less than \$46,090.

Meanwhile, housing prices have soared at double-digit rates in recent years. Shelter prices were 17.6% higher in July than in February 2020, according to the Labor Department. High mortgage rates and a low supply of homes for sale have kept prices high, contributing to a record increase in homelessness this year.

"Because there is such a profound educator shortage, districts may decide investing in educator housing is a necessary option," said Sasha Pudelski, advocacy director for AASA, the School Superintendents Association.

Teton County School District in Wyoming, which includes the resort city of Jack-

son—one of the priciest towns in the nation—has for years provided teachers with single-family homes, including a log cabin.

The school district converted four classroom trailers into teacher housing in June and is seeking \$16 million in funding to build three 24-unit apartment buildings for educators.

Jackson's lack of affordable housing dissuades teachers from coming to the area, district superintendent Gillian Chapman said. A typical Jackson home sold for \$1.3 million in July, and typical rent was \$5,700 a month, according to Zillow estimates.

"Our teachers never get a chance for mastery because they are so stressed out and they are constantly trying to find a place to live, and oftentimes they leave," Chapman said.

School officials and community leaders in the St. Helena Parish northeast of Baton Rouge, La., are pursuing a plan to build single-family homes and apartments for teachers. A housing shortage there has made it hard to recruit teachers, said Virginia Bell, vice president of the local school board and executive director of the St. Helena Economic Development Foundation, an economic-development group.

Proponents of the plan hope the new housing, along with higher teacher pay that would be funded by a proposed sales tax, will reduce turnover and attract teachers from nearby Baton Rouge and New Orleans to the majority-Black, low-income school district.

# Storm Gains Speed, Heads To Gulf Coast

By GINGER ADAMS OTIS

Tropical Storm Idalia gained strength and speed Sunday as it moved toward the Florida Gulf Coast, and might reach hurricane status by midweek, the National Hurricane Center said.

Florida Gov. Ron DeSantis on Saturday declared a state of emergency for roughly 30 counties along the Panhandle and other parts of the Sunshine State.

Idalia grew from a tropical depression into a tropical storm Sunday as it moved over parts of the Yucatán Peninsula in Mexico and western Cuba, prompting flash-flood and landslide warnings in those places.

The storm is expected to become a Category 1 hurricane over the southeastern Gulf of Mexico early Tuesday, according to the National Hurricane Center. It is expected to bring dangerous storm surges, pounding rain and strong winds to Florida's Gulf Coast and Panhandle.

A Category 1 hurricane has wind speeds of 74 to 95 miles an hour. Idalia had 45 mph winds as of Sunday, according to meteorologists.

Forecasts indicate Idalia won't reach the destructive strength of Hurricane Ian, which slammed into Florida in September 2022 as a powerful Category 4 storm with maximum sustained winds of 150 miles per hour. Ian killed at least 130 people.



## U.S. NEWS

# Trump's Rivals In Party Make Little Headway

BY ALEX LEARY  
AND JOHN MCCORMICK

Is Donald Trump unstoppable?

For months the question has hung over the Republican presidential race, but recent days have pushed it convincingly toward the yes column.

Trump's gamble to skip Wednesday's GOP primary debate paid off, as he emerged not just unscathed but with his dominance affirmed: All but two of the eight candidates raised their hand to say they would support him as the party's nominee even if he is convicted on one of the dozens of criminal charges he faces.

Less than 24 hours later, as rivals tried to build off the debate, Trump made a splashy visit to Atlanta and left with a glowering mug shot ready-made for fundraising—for both parties—and a surprise return to X, the online platform formerly known as Twitter.

For now, it appears more plausible that the 77-year-old Trump might still be stopped by jail time or some unexpected issue, such as health, than by a fellow Republican candidate.

"He has a special ability to take the most negative things and capitalize on them," said Jordan Bryngelson, a Republican activist in South Carolina

who is neutral in the race but, like many others in the party, has come to see Trump as inevitable. "Every time they punch him, he gets stronger. He's Teflon Don."

More than four months remain until the first nominating contest in Iowa, and Trump could still fall under the weight of his problems or a rival could finally figure out a path. Polling continues to show the former president with a huge lead, but also indicates voters are willing to consider alternatives.

"Anything can happen," said Jeanita McNulty, a GOP county chairwoman in Iowa, who attended the debate in Milwaukee. But she concluded no one damaged Trump, who that night appeared in an interview with Tucker Carlson, and said the criminal prosecutions have only further galvanized the grassroots.

Late last year, it seemed Trump was fading. The GOP underperformed in the midterm elections, with candidates backed by the former president who echoed his false claims about 2020 election fraud losing key races. His fundraising got off to a slow start, and Trump was nervously eyeing Florida Gov. Ron DeSantis, who won re-election in a landslide and gained national prominence for his op-



Supporters of former President Donald Trump outside Georgia's Fulton County Jail, where he turned himself in on Thursday.

position to Covid-19 restrictions.

The tide turned for Trump in the spring. In April the first indictment against him was unveiled, in a New York case involving hush-money payments. Republicans rushed to rally around him. Three more indictments followed, forcing candidates to echo Trump's claims that the charges are politically motivated.

DeSantis officially entered the race in late May, adding to a large field of candidates that has been reluctant to criticize Trump for fear of turning off his supporters.

The Florida governor endured millions of dollars in attack ads from Trump's team before he got in the race—at

tacks that went mostly unanswered, something widely viewed as a tactical mistake. DeSantis tried to run to Trump's right, which turned off some supporters and donors without peeling off any Trump backers.

DeSantis has tried to recalibrate but hasn't regained the ground he lost, though some surveys suggest debate viewers thought he performed well. Former South Carolina Gov. Nikki Haley also did well in postdebate polls, but she remains far behind Trump. If there was a debate standout in terms of winning attention, it was biotech entrepreneur Vivek Ramaswamy. He zealously defended Trump, calling him the "best president of the

21st century." But Ramaswamy has a long way to catch up.

"Nothing happened to him this past week that made it less likely to get the nomination, which is still overwhelmingly likely, but not certain," said GOP strategist Scott Jennings.

DeSantis has the resources for a long haul, including a super PAC with \$85 million to spend. Aides to him and other Trump challengers like to say that voters won't really begin focusing on their choices until the weather starts turning cold in places such as Iowa and New Hampshire.

There is some truth to that. At this point in 2015, Sen. Ted Cruz of Texas, the winner of the 2016 Iowa caucuses, was at just 8% in the most closely

watched poll in the state. Trump was at 23%.

President Biden and fellow Democrats are treating Trump like the inevitable GOP nominee—and privately many Democrats hope he is, since they see him as vulnerable.

The incessant Trump legal saga means the GOP nomination fight will remain a referendum on him—which is good news for the front-runner.

"As long as the majority of the field is defending Trump on at least some of his biggest liabilities," said nonpartisan election analyst Nathan Gonzales, "it's hard to see how Trump is dethroned."

—Sadie Gurman  
and Aaron Zitner  
contributed to this article.

## World Mulls Prospect of New Term

Continued from Page One

would mean for geopolitics. Among the most widespread fears is that Trump would spark a global trade war. The candidate has threatened to impose fresh tariffs on all goods imported into the U.S.—hitting friend and foe alike—a move that risks sowing divisions in trans-Atlantic relations in a time of war.

Trump has also threatened to withdraw the U.S. from the North Atlantic Treaty Organization, a move that his former national security adviser John Bolton recently described as a near certainty if he is elected again.

Some governments are moving to lock in military assistance to Ukraine to strengthen security there in case a newly elected Trump scales back U.S. support. Members of the Group of Seven wealthy nations are trying to reach bilateral agreements with Kyiv to provide weapons that meet NATO standards.

"There's a strong possibility Trump might be re-elected," said Benjamin Haddad, a French lawmaker from President Emmanuel Macron's party. "It forces us Europeans to read the writing on the wall and take more responsibility."

With Russia digging in for a long fight in Ukraine, the Kremlin is waiting out the Biden administration in the hope

that Trump, if elected, would back away from helping Kyiv. U.S. support for Taiwan could waver under Trump, according to analysts, if Beijing dangles concessions on trade.

"Trump values U.S. allies less, and Beijing therefore expects that U.S. alliances and coalitions would fray and ease pressure on China," said Bonnie Glaser, managing director of the Indo-Pacific program at the German Marshall Fund of the United States.

Those scenarios send a chill down the spine of allies in Europe and the Pacific.

The Biden administration has worked to corral allies in Asia, deepening military cooperation and helping mend relations between Japan and South Korea. And Washington has sent billions of dollars in arms and humanitarian aid to Ukraine, allowing Kyiv to hold its own on the battlefield against Russia.

French officials have been warning European allies that the possibility of Trump's return requires the continent to significantly expand arms production, from artillery to missile defense systems, so it can supply Ukraine on its own.

Eastern European countries and France are also pushing allies to admit Ukraine into NATO, a move that would significantly raise the stakes with Russia by providing Kyiv with security guarantees.

"We've been lucky with Ukraine to have an American administration that helped us," Macron recently told *Le Point* magazine. "Can we let Ukraine lose and Russia win? The answer is no...We have to hold out over time."



Donald Trump has vowed to impose sweeping new tariffs.

Military expenditures are rising across the continent, but Europe has struggled to wean itself off U.S. hardware. Macron was blindsided when a German-led coalition announced plans to spend billions of euros on a program to buy Patriot missile systems from the U.S., snubbing a rival system developed by France, Italy and the U.K.

Trump has vowed to impose sweeping new tariffs, stating in a recent interview that he would set an automatic 10% tariff on all foreign imports to the U.S.

"When companies come in and they dump their products in the United States, they should pay, automatically, let's say a 10% tax," Trump said in an interview with *Fox Business*. "I do like the 10% for everybody."

Economists were quick to warn that Trump's proposal could ignite a global trade war and raise prices for U.S. consumers. The White House slammed Trump's comments,

saying President Biden strongly opposes the plan.

Germany, Europe's economic powerhouse, is focused on forging channels of communication in an effort to avoid the experience of 2016, when Trump's election took world leaders by surprise. The government of Angela Merkel, who was then chancellor, struggled to gain access to the White House as Washington aimed a barrage of tariffs at Germany and other countries in Europe.

Leading members of the three parties of German Chancellor Olaf Scholz's governing coalition have been jetting across the Atlantic ever since they took power in late 2021, meeting with GOP officials and Trump confidants. A key Scholz aide, Wolfgang Schmidt, has made regular visits to Washington, forging links with key Republicans. In September, German Foreign Minister Annalena Baerbock will embark on a 10-day visit to the U.S., including an extended visit to

Texas, a GOP bastion, to familiarize herself with the party.

Some governments welcome the possibility of Trump's return. Prime Minister Viktor Orban of Hungary, who maintains a friendly relationship with President Vladimir Putin of Russia and opposes Western arms deliveries to Ukraine, has said on numerous occasions he hopes Trump wins the next election, even as Trump's legal woes have mounted. "Keep on fighting, Mr. President! We are with you," Orban wrote in a recent social-media post.

For China, Trump was the leader who ignited trade tensions with the U.S. while a Biden presidency held out the prospect of a return to the previous era of relations. But Biden maintained much of his predecessor's tough policies toward Beijing. Tariffs remained in place. Restrictions on Chinese technology companies expanded, including a U.S. ban on sales of advanced semiconductors and chip-making equipment to China last year.

"On policy substance, even though Trump kicked off the trade war, it was Biden that implemented policy more effectively and was able to bring in important allies that Trump had alienated," said Mary Gallagher, a political-science professor at the University of Michigan.

South Korea and Japan this year turned the page on years of historical quarrels, allowing for deeper military coordination with Washington.

President Yoon Suk Yeol of South Korea forged a personal bond with Biden during an official state visit in April to the

White House and on a recent trip to Camp David. That contrasts with Trump, who criticized Seoul for not paying enough for the roughly 28,500 U.S. military personnel stationed in South Korea.

In the Middle East, the leaders of Israel and Saudi Arabia are weighing whether their push to establish diplomatic ties have a better shot with Biden in office or Trump. While leaders in both countries have had chilly relations with Biden, they are wrestling with the possibility that the Democratic president might be better positioned than Trump to broker a pact.

Trump remains broadly popular with the Israeli public and aligned with Prime Minister Benjamin Netanyahu's government, which bills itself as the most right-wing and religious in the country's history. But Trump was critical of Netanyahu after the prime minister congratulated Biden on his 2020 victory.

Iran is moving to release U.S. detainees in a bid to gain access to around \$6 billion in oil revenue. The money, which was effectively frozen in South Korea under U.S. sanctions, is being transferred through Switzerland to Qatar for possible release to Iran.

This month, Iran moved four U.S. citizens from prison to house arrest, the first step in a hoped-for prisoner release agreement between Tehran and the Biden administration.

—Dion Nissenbaum,  
Sabrina Siddiqui, David S.  
Cloud, Laurence Norman,  
Timothy W. Martin  
and Chieko Tsuneoka  
contributed to this article.

## Raimondo, in China, Aims to Ease Tensions, Defend Export Controls

BY YUKA HAYASHI  
AND CHARLES HUTZLER

**BEIJING**—Commerce Secretary Gina Raimondo said she would use a four-day visit to China this week to ensure an easing in tense relations while standing firm in confrontations over technology restrictions and Chinese trade practices.

Raimondo, who arrived in Beijing on Sunday, said she would seek to "protect what we must and promote where we can" as she discusses economic and commercial relations with her Chinese counterparts.

On the list to discuss are U.S. export controls opposed by China that restrict transfers of advanced semiconductors, and Chinese regulations and other methods that U.S. officials say Beijing has used unfairly against American companies in recent months.

Raimondo will carry messages that are similar to those of other administration officials who have recently visited Beijing, where Chinese leaders have characterized the technology restrictions as part of an effort to suppress China's rise.

Raimondo said she would explain that the technology controls are intended to be narrowly targeted against a small range of items to protect American national security. She said that the U.S., far from seeking to disengage from the Chinese economy, wants to maintain a robust economic relationship.

"Look, this is just the reality: The U.S. and China share a large, dynamic, growing economic relationship, one of the largest trade relationships in the world, and both of our countries, in fact, the entire world, need us to manage that



Commerce Secretary Gina Raimondo arrived in Beijing Sunday.

relationship responsibly," Raimondo told reporters Friday before her trip.

The visit is the first by a U.S. commerce secretary in seven years. In that time, relations have deteriorated to historic lows as the two countries

compete for global pre-eminence.

After fresh tensions this year over a suspected Chinese spy balloon and the Ukraine war, both governments have been cautiously moving to restore high-level communica-

tions that had all but stopped. The recent deterioration in China's economy gives Beijing a fresh incentive to mend the ties to prevent declines in trade and foreign investments.

Raimondo is the third cabinet secretary to travel to Beijing this summer, following visits by Secretary of State Antony Blinken and Treasury Secretary Janet Yellen. Their visits are meant to pave the way for a meeting between President Biden and Xi Jinping during the Chinese leader's visit to the U.S. in November to attend an Asia-Pacific Economic Cooperation meeting in San Francisco.

The commerce chief said Biden told her to convey the message that regular communication is crucial to avoid conflict. That is a message, she said, she heard from American busi-

nesses and also pertains to discussions on export restrictions.

The controls the Biden administration imposed last October on exports of advanced semiconductors and chip-manufacturing equipment, which were preliminary, are expected to be finalized in the coming weeks.

Beijing has retaliated by placing export restrictions on key minerals used to make microchips and banning the use of products from American semiconductor maker Micron Technology in critical infrastructure.

Chinese officials have criticized what they see as unfair treatment of the country's companies. Beyond the controls on technology transfers, the officials said, the U.S. has placed some 1,300 Chinese companies on sanctions and export blacklists.



U.S. NEWS

# Cap on Tax Deductions Has a Business Loophole

By RICHARD RUBIN

Many business owners can easily—and legally—dodge the \$10,000 cap on state and local tax deductions, and that costs the federal government as much as \$20 billion a year, according to a new estimate by the Tax Policy Center.

The so-called SALT cap limits the break that individuals can get by deducting their state and local taxes from their federal taxable income. But owners of closely held businesses such as law firms and car dealerships use workarounds allowed by three dozen states to avoid paying more to the federal government.

As a result, the cap—part of the 2017 tax overhaul—is generating 80% to 85% of its intended revenue, according to the Tax Policy Center, which is a joint venture of the Urban Institute and Brookings Institution. That means the cap doesn't offset other tax cuts as much as expected, complicating lawmakers' plans to extend the bulk of the law beyond its scheduled expiration at the end of 2025.

The state-based workarounds apply only to business owners who report profits on their individual tax returns. That means they can escape the SALT cap, while wage earners, sole proprietors and property owners can't.

"If you have a SALT cap, it doesn't make any sense to say that the richest workers are basically exempt from it, but everybody else is subject to it," said the Tax Policy Center's Leonard Burman, who was a Treasury official during the Clinton administration.

The workarounds were enacted by 36 of the 41 states with income taxes, and state lawmakers see them as a way to aid local businesses without reducing state revenue. The workarounds were blessed by the Trump administration and left in place by the Biden administration.

A Treasury spokesman said any SALT—which stands for

"state and local tax"—changes should be made by Congress and that the administration would implement them.

The SALT cap has repeatedly bedeviled lawmakers, and it is again an irritant as Republicans try to figure out how it fits in with an extension of the expiring tax cuts. Continuing the cap, which also expires after 2025, would raise about \$960 billion over a decade—and closing the workarounds would generate an additional \$190 billion, according to the Committee for a Responsible Federal Budget, a nonprofit group that advocates for deficit reduction.

A 2022 Wall Street Journal

estimate found the workarounds were likely saving businesses more than \$10 billion a year. The Journal started with state-reported data on the workarounds, while the Tax Policy Center started with Internal Revenue Service data on business owners.

Entities such as partnerships and S corporations enable closely held businesses to be organized without being taxed directly. Instead, they pass their profits through to their owners, who report that income on their individual tax returns.

To implement the workarounds, states create elective

taxes on those pass-through entities. The business chooses to pay that levy before passing profit through to its owners. That entity-level tax counts as the owners' state tax payment, and it effectively lowers the income the owners report to the federal government.

The upshot: The state gets its tax revenue. The business owner effectively gets a full deduction for state taxes and perhaps other tax advantages from having a lower adjusted gross income. The federal government doesn't get all the money lawmakers expected when they capped the SALT deduction.

U.S. WATCH



Bob Barker

OBITUARY  
**'Price Is Right' Host Bob Barker, Age 99**

Bob Barker, the longtime host of "The Price Is Right" who welcomed everyday people to "come on down" and test their knowledge of American consumer goods, has died, according to his publicist, Roger Neal. He was 99 years old.

Barker was a former radio host who started hosting game shows—or as he called them, "audience-participation games"—in the 1950s. His broadcast career started when he was in his 20s and was asked to substitute for a radio host one day. His wife turned to him afterward and told him he'd found a career.

"You did that better than anything you've ever done," she told him, according to an interview Barker gave to the Television Academy in 2000.

Barker said he described his job as creating "spontaneous entertainment with unheard-of contestants."

At the end of every episode, seconds after giving a jumping contestant a new car or trip to Hawaii, he struck a serious tone, repeating words that longtime viewers could recite along with him: "Help control the pet population. Have your pets spayed or neutered."

—Erich Schwartzel

NASCAR  
**Driver in Daytona Crash Is Discharged**

Nascar driver Ryan Preece, whose car rolled about a dozen times during a terrifying crash at Daytona International Speedway, was on his way home about 12 hours later after being discharged from a hospital Sunday.

Stewart-Haas Racing said Preece was headed back to North Carolina after getting clearance from doctors at Halifax Health Medical Center. The team earlier said Preece was "awake, alert and mobile" and "had been communicating with family and friends."

The 32-year-old Preece was able to climb out of his mangled No. 41 Ford on Saturday night with help before emergency workers put him on a gurney and into an ambulance. He initially went to the track's infield care center before being transported to Halifax Health for overnight observation.

Preece tweeted about two hours after the race, posting: "If you want to be a race car driver, you better be tough...I'm coming back."

Preece and SHR teammate Chase Briscoe made contact coming out of Turn 4, and Preece's car turned hard left and then went into an uncontrollable barrel roll as soon as it slid from the asphalt to the infield grass. The car came to a halt on all four tires, with some minor damage to the roll cage.

—Associated Press

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## U.S. NEWS



Search and recovery workers check through ash and ruins in the aftermath of the Maui wildfires in Lahaina, Hawaii. Below, Maurice Buen, 79, is among the missing. Buen's daughter says she hasn't gotten any answers from government officials.

# In Lahaina, a Major Struggle To Locate, Identify Victims

Hundreds are still missing after fire, and some remains might never be found

With 115 people confirmed deceased, the wildfire that destroyed Lahaina is already the deadliest in the U.S. in more than a century. But the difficult process of identifying and

By Alicia A. Caldwell,  
Ben Kesling and  
Shannon Najmabadi

transporting human remains in an all-but-incinerated town means there might never be answers about many of the hundreds of people who are still unaccounted for.

"When this is all said and done, realistically let's be honest here, we're going to have a number of confirmed and we're gonna have a number of presumed" dead, Maui County Police Chief John Pelletier said this week.

For more than two weeks, search-and-rescue crews including cadaver dogs and forensic anthropologists have been looking for any signs of victims, including bone fragments or metal medical devices.

Just identifying human remains amid the rubble is difficult, according to professionals involved in the search.

## Looking for fragments

"What we are talking about in these fire situations...is basically fragments of bone and ashes," said Stephen Meer, chief information officer and managing director of critical operations for ANDE, a Colorado-based DNA analysis company helping identify victims. "These victims don't come in body bags, they come in paper bags."

To help identify victims, the Defense Department sent six forensic anthropologists from the Defense POW/MIA Accountability Agency, which is typically tasked with identifying remains of American service members who died in past conflicts.

Team members are sifting



possible remains to remove the ash, said John Byrd, the DPAA's laboratory director. Anything left that might be a bone is sent to a lab for processing. "It's a bit of a misnomer that remains are burned into ash and there's nothing left," Byrd said. "If there's nothing we can recognize as human bones, it means there was no body there."

The process is slow, particularly now that search teams have gone through all the single-story structures in Lahaina and are starting the more difficult task of sorting through the rubble of what were multistory buildings.

"We're talking weeks...to get through all that," said Army Col. David Fielder, deputy commander of a team of nearly 600 active duty, reserve, guard and Army civilians involved in the effort.

A Navy dive team joined the response Thursday at the request of the Maui fire department. Many people fled the fire by diving into the Pacific Ocean.

Three dozen civilian mortuary experts and a portable morgue were also sent by the federal Administration for Strategic Preparedness and Response to help identify victims.

Officials involved in the effort say the search is particularly difficult because they don't know for sure how many people

they are looking for. The list of missing people has fluctuated, at one point shrinking to about 850 before rising again to nearly 1,100 earlier this week.

A validated list of 388 people still unaccounted for was published by the county late Thursday. The county said the list was compiled by the Federal Bureau of Investigation and included people for whom authorities have a first and last name, and contact information for the person who reported the individual as missing.

## Difficult wait

The slow pace has been painful for friends and relatives of the missing.

Kimberly Buen, who lives in Palmdale, Calif., has been making calls since early Aug. 9, the day after the Lahaina fire, to shelters, the police, the FBI and hospitals in search of her father. "I'm not getting any answers from government officials over there," she said.

Buen said officials have confirmed searching the apartment building where Maurice Buen, 79, was living, but no one has said if he and or anyone else was found.

"Right now, as it stands, I feel like I'm back to square one. He's still missing, his building's been checked, but we don't

know if there's a body or not," she said.

Her father, she said, is blind in one eye, partially blind in the other and uses a walker and wouldn't have been able to leave the area on his own. His name is included in the official list of the missing.

## DNA sought

Because many remains that are found don't have fingerprints or dental records that can be used to identify them, officials are relying on DNA matches. But many people with missing loved ones in Lahaina have been unwilling or unable to submit their genetic material.

Andrew Martin, the Maui County prosecutor who is overseeing a family-assistance center in West Maui, said hesitancy to share DNA is likely driven by several factors, including assumptions that the process, which requires running a cotton swab over a cheek, is more invasive than it actually is. "And you combine that with elements of mistrust in the community of government, and that's historic, this mistrust," Martin said.

Martin also acknowledged the possibility that entire families might have perished in the fire, leaving nobody to submit DNA. Many families in Maui live in multigenerational households.

Witnesses who fled the hardest-hit areas, including Front Street, reported seeing filled-up cars being overtaken by flames before drivers could make it to safety.

DNA doesn't always make identification possible. For remains burned at high temperatures that eliminated all soft tissue, there is no DNA left to analyze, Byrd said. The collagen inside bones, a source of DNA, can be destroyed in intense fires like that in Maui.

Complicating matters more, Maui County officials warned of possible scammers trying to collect DNA from relatives of the missing. Officials said a family-assistance center in West Maui is the only official collection site on the island.

## Utilities Are Facing A Dilemma

Continued from Page One  
place next year.

Other utilities have been hit with lawsuits attacking their decisions to keep the lights on in risky conditions.

In Maui, the site of the deadliest U.S. fire in more than a century, Hawaiian Electric is facing a financial crisis and mounting litigation over indications that its power lines might have played a role in igniting the fire. It didn't shut down its power lines ahead of time.

Maui County filed a lawsuit on Thursday alleging that the company's power lines ignited the fire, and that it was negligent in failing to take that action. It also alleges that the company didn't take proper measures to safely maintain its system.

"We are very disappointed that Maui County chose this litigious path while the investigation is still unfolding," Hawaiian Electric said in a statement.

Xcel Energy, which serves parts of eight Western and Midwestern states, is similarly dealing with litigation related to its likely role in a 2021 fire in Colorado and its failure to implement a shut-off as winds picked up.

Xcel declined to comment. It has publicly disputed findings that its lines probably contributed to the fire.

Shutting off power is difficult and complex: It can affect water, transportation and communications services. It can endanger customers who rely on electricity for medical needs and complicate evacuation processes. And it results in economic losses by forcing business closures.

Utilities aren't required by regulators to shut off power in risky conditions, but numerous regulations direct them to operate their systems safely, as well as reliably. Michael Wara, a lawyer who directs the Climate and Energy Policy Program at Stanford University, said safety might have to come at the expense of reliability during periods of dry, heavy winds capable of transforming sparks into wildfires.

"Utilities need to have a process to evaluate when it is safe to operate their systems in red-flag conditions," he said. "If they don't, that's a problem."

Lawyers suing PacifiCorp scored a victory in June when a jury determined that the company owes about \$90 million in damages to certain members of a class-action



A utility worker did repairs amid wildfires in Oregon in 2020.

lawsuit who lost homes in the 2020 Labor Day fires in Oregon, and that figure could eventually top \$1 billion as others pursue claims. The company has said it would appeal the decision.

During the trial, PacifiCorp attorneys told the jury that the company didn't turn off the power because doing so created other risks, while attorneys for the victims argued that the company didn't have the proper structures and processes in place to make the decision. According to the company, it has improved its shut-off plan in recent years.

"It doesn't make sense to wait for regulators to step up or to wait for some catastrophe to happen before utilities have a plan to shut off the power," said Matthew Preusch, a partner at Keller Rohrback who represented victims in the case. His firm plans to pursue litigation against Hawaiian Electric.

In a statement, PacifiCorp said it has invested substantially in reducing wildfire risk and developed shut-off plans for the areas it serves.

California regulators first determined in 2012 that the state's investor-owned utilities had the authority to shut off power to protect public safety. Since then, most of them have done so during periods of high risk, typically for autumn windstorms.

PG&E, the utility company serving most of Northern California, in 2019 implemented unprecedented shut-offs that left millions of people in the dark for days. Economists estimated that losses amounted to billions of dollars. The company has since installed technologies allowing for a more surgical approach.

During the 2020 Labor Day fires, Portland General Electric, Oregon's largest utility, shut off power in risky areas for the first time. It did so again in 2022, and is working to refine its ability to pinpoint risky areas and better target shut-offs.

Larry Bekkedahl, Portland General Electric's senior vice president of advanced energy delivery, said the company once relied on Portland International Airport readings to assess the weather throughout its service territory.

It has since installed 69 weather stations to gather granular data on wind speeds, humidity levels and other variables that help it determine whether shut-offs are necessary in the fire-prone foothills surrounding the Willamette Valley.

"We no longer have to worry about what's happening down in the southern part of the valley versus the northern part," he said. "We can get right down into the canyons and see what's happening."

## Preppy Handbook In Demand

Continued from Page One  
as classic prep—heavy on Brooks Brothers Oxford shirts and suits.

Preppy style and the "old money aesthetic" have popped up again, like collars on polo shirts, and people are feeling inspired to revisit cable-knits, pearls and tennis-core fashion, even by those who never step on the court. In its 2023 fashion forecast, retail-styling company Stitch Fix heralded this year's rise of "prep school fashion."

That means new attention for "The Official Preppy Handbook," which has a front-cover tagline saying, "Look, Muffy, a book for us." The New York Times bestseller is a deadpan guide to preppies in their natural settings, includ-

ing boarding schools, Ivy League quads and vacation colonies where summer is a verb. Though intended as irreverent satire, "people used the book as a literal guidebook," says Preppy Handbook author Lisa Birnbach.

Chloe Miner, a flight-school intern who lives in Jackson, Mich., is in her 20s and wasn't around when the Preppy Handbook came out, but is fascinated with the lifestyle. She bought a copy on Facebook Marketplace for about \$100, and knows people who have paid more than \$500. "That was the most I've ever paid for a book, but it's a classic," says Miner. "It's a preppy must-have."

She has been inspired to invest in Sperry Top-Siders and Ralph Lauren blazers. She imagines herself one day joining a country club and living on a lake—two Handbook-approved pursuits. "I'm in college and broke," Miner says. "I can't live that lifestyle at the moment. But someday."

Birnbach pulled the book together in 12 weeks with a

\$7,500 advance and sold 2.3 million copies over 38 printings, the last one in 1986. She says there have been discussions of a reprint over the years, and it's also been optioned for features and Broadway. From 2000 to 2019, an average of 300 copies sold ev-



Fashionable read

ery year on eBay. Starting in 2019, that number jumped, with an average of 600 a year selling each year over the past four years, according to eBay spokeswoman Samantha Zola. Asking prices on eBay and elsewhere range from \$80 for a used paperback to a \$1,600 hardcover.

"We're talking about a book

that was published 43 years ago," Birnbach says. "It's a little nutty, right?" Birnbach says she has noticed that when life seems particularly unstable, the Preppy Handbook is a comfort item, "as much as macaroni and cheese and chicken pot pie."

Psychologist Clay Routledge says the book's popularity fits perfectly with the science of nostalgia he has studied for two decades. In a recent survey he conducted about online culture, the majority of respondents wanted to go back to a time when everyone wasn't so plugged in—"a time when Americans got along better."

Matthew Longcore, who grew up in the preppy environs of Westport, Conn., runs the Preppy Handbook Fan Club, which includes more than 30,000 members across its social media groups.

Longcore, who works at Yale University, says the surge in interest began during the pandemic. "People just wanted something bright and cheery and colorful...that describes what a lot of prep cul-

ture is," he says. "There is something sort of escapist and an element of idealism in it."

Today's preppiness transcends its "old-money WASPy" reputation, he says, and "anyone can be preppy."

The Preppy Handbook Fan Club delves into obvious terrains such as décor, vacations, and clothes, such as socks or no socks with the boat shoes? (The Preppy Handbook addressed "The Sock Controversy" on page 138.)

Chad Briesacher, a general manager at a radio station in St. Charles, Mo., picked up a copy of the Preppy Handbook for about \$40 and says the book's emphasis on decorum appeals to him. "American society has lost all sense of occasion," he says.

Briesacher encourages college kids he works with to present themselves better, rather than "wear hoodies year-round," he says. He wears a tie and jacket to work, tweed in the winter and linen in the summer. The tie is always Brooks Brothers and he rotates through repp, regi-

mental, dotted, and paisley. Since we're in the warm months, he's embracing pinks and greens. "A tennis or madras shirt with shorts and Top-Siders makes for good summer weekend wear," he says.

On another Facebook group called "Preppy Life: Look, Muffy, A Group for Us," fans post pictures of themselves sporting Lilly Pulitzer, sweaters from Trimmingham's of Bermuda, signet pinky rings, and debate the merits of tartans.

Tatania Whitney King, a visual designer in Walnut Creek, Calif., says her family would read the Preppy Handbook aloud during cocktail hour from chintz chairs while nibbling on water crackers and Boursin cheese. "It was so damn accurate," she says. "Right down to the duct tape on our L.L. Bean fluffers."

She says she found a Preppy Handbook on eBay for \$53 that was in just "readable" condition. "It must have been a chew toy for the dog in the back of the Volvo," she says, "so authentic."



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## WORLD NEWS

## Russia Confirms Death of Wagner's Chief

Kremlin denies it was behind alleged assassination of Yevgeny Prigozhin

By MATTHEW LUXMOORE

Russia officially confirmed the death of Yevgeny Prigozhin, the Wagner paramilitary group boss who controlled a vast business empire in Africa and led a short-lived rebellion against the country's defense establishment before being killed in a plane crash last week.

The country's Investigative

Committee said Sunday that genetic testing had confirmed the identities of all 10 passengers who died aboard the Embraer Legacy 600 jet that plunged from the skies over the Tver region.

A day after the plane went down, U.S. officials said preliminary evidence suggested the plane crashed as a result of an assassination plot, adding it wasn't shot down by a surface-to-air missile, as some sources close to Wagner had said.

The preliminary U.S. government assessments, which officials stressed were incomplete, suggest that a bomb exploded on the aircraft or that

some other form of sabotage caused the crash. U.S. satellites with infrared sensors can detect the heat from missile launches, and none was found at the time the plane was downed, defense officials said.

The Kremlin has rejected allegations it was behind Prigozhin's alleged assassination, though Russian President Vladimir Putin has stated on several occasions that betrayal can never be forgiven. Numerous critics of Putin have been killed during his 23 years in power.

Officials didn't name the people identified by the genetic testing but said they

matched the passenger list that was released by Russia's civil aviation authorities, which included Prigozhin and two other top Wagner commanders.

The Russian statement ends days of speculation on social media and among Russian pundits, who initially cast doubt on the claims of Prigozhin's death. Telegram channels close to Wagner had urged caution among the group's supporters, asking them not to take action until an official statement was released.

But dozens across Russia immediately flocked to makeshift memorials to pay their

respects to Prigozhin, who had many enemies in the Russian leadership but also enjoyed a high level of popularity among ordinary Russians who respected his candid statements about the shortcomings of Russia's military and its stalled campaign in Ukraine.

The Russian government has said it is investigating the cause of the plane crash, but hasn't offered an explanation.

During the aborted mutiny launched by Prigozhin with several thousand Wagner fighters in June, Putin appeared on live television in Russia and said those who organized the insurgency had

betrayed the country.

The crash was the end of the latest chapter in Russia's violent politics as the country's mounting losses in Ukraine fuel deepening rifts in the upper ranks of the military and the governing elite. The war, unleashed by Putin in February 2022, is the deadliest conflict for Russia since World War II.

Separately, in Ukraine, three pilots were killed in a collision between two combat training aircraft in the west of Ukraine, casting a shadow over the start of training on F-16 jet fighters by the U.S. and its allies abroad.

## Ukraine Farmers Struggle Amid Uncertainty

By ALISTAIR MACDONALD AND OKSANA PYROZHOK

PISKY, Ukraine—As Russia squeezes Ukraine's ability to export its huge grain harvests, it is farmers like Valery Kolosha who are counting the cost.

Russia last month pulled out of an international agreement that facilitated Ukrainian exports via the Black Sea and has since launched a series of attacks on port facilities in the country. Together, those actions have hindered the exit points for three-quarters of Ukraine's grain.

At the sharp end of these moves are Ukrainian farmers, whose tough lot just got harder. Kolosha says he now can't sell his grains and will struggle to break even this year, as his transport costs rise and his income falls.

While global grain prices rose sharply when the Black Sea deal collapsed, they fell in Ukraine as the local market was flooded by supplies trapped in the country.

Ukrainian farmers currently get paid up to about \$160 a



Valery Kolosha, a farmer in Ukraine's Chernihiv region, has turned to growing sunflowers to keep his business afloat.

metric ton for wheat they deliver to ports on the Danube River, less than before the deal collapsed, analysts say.

Just across that same river, Romanian farmers can get

around \$215 a metric ton for wheat.

"Today, the market is dead...I am just trying to keep my head above water," said Kolosha, who farms in

Ukraine's Chernihiv region, northeast of Kyiv.

When he heard the news that Russia had pulled out of the grain deal, he punched the wall of his office in frustration, he said.

Starved of income, many farmers will likely struggle to finance the planting of the next round of crops. That in turn could limit production in one of the world's biggest grain suppliers at a time of already high food prices.

Some farmers said they have decided to plant less winter wheat because of recent events. Others, in anticipation of export problems, had already started switching to more lucrative crops such as sunflowers.

Before the war, almost all of Ukraine's agricultural products were exported through Black Sea ports, which closed when Russia invaded in February of last year. That route then reopened in July 2022 after the United Nations and Turkey brokered an agreement with Moscow.

Grain vessels have been steering clear of Odesa-area ports since Russia scuttled the deal last month, leaving thousands of tons of grain stranded in warehouses there. Turkish and U.N. officials are pushing Russia to rejoin the pact, while the European Union and U.S. are working on alternative export routes.

For now, Ukraine's exports go out via its western land borders or two small ports on the Danube, which have been attacked by Russia.

August is typically a slow period for Ukrainian grain exports. The true test for Ukraine's stressed borders will come in September and October, when the country's massive corn and edible oil harvest is brought in.

This season, Ukraine is set to export around 57 million metric tons of grains and edible oils, according to the Ukrainian Grain Association. Ukraine's land borders with the EU only have capacity to export 15 million to 16 million tons a year, meaning the country's Danube ports will have to handle the rest without an improvement in capacity at land borders, the UGA said. Around half of Ukraine's grain exports, or some 29 million metric tons, went out via the Black Sea corridor during the last harvest season of

2022-23, according to the association.

Before the war, the Danube ports of Reni and Izmail shipped almost no grain, but today vessels are backed up. Barges continue to sail from the ports to Constanta in Romania, where cargoes are loaded onto larger ships.

More than 250 cargo vessels were recently at the Black Sea end of the Danube, listing Reni, Izmail or Constanta as their destination, according to ship-tracking data from **Spire Global**.

If the Black Sea stays closed, "Ukrainians will be faced with huge problems," said Serhii Kravchuk, chief executive of **Gals Agro**, a diversified agriculture group based north of Kyiv.

The cost of exporting grains over land or via the Danube is typically far greater than going out via the Black Sea, according to the UGA. Last November, it cost around \$29 a ton to ship grain from central Ukraine out via the Black Sea but \$124 a ton from Danube ports, the UGA said. Around the same time, it cost \$140 a ton to export over land

and out of the Polish port of Gdansk.

Kravchuk said he expects export costs to rise and that the evolving situation has created constant uncertainty.

Agricultural company IMC is now rethinking its strategy in the wake of the grain deal's collapse, said Chief Executive Alex Lissitsa. Issues under consideration include whether to diversify crops or target different end markets, as well as how best to store grain that it can't export.

Some farmers, including Kolosha and Lissitsa, have already planted more sunflowers, whose seeds can be used to make cooking oil.

Sunflowers, whose broad yellow faces are a common sight across Ukraine, currently offer a higher margin than corn, Ukraine's biggest crop. That means farmers don't need to export as much to make the same amount of money.

The catch is that Ukrainian farmers say sunflowers drain their soil of nutrients.

"It's not good, it's bad for the soil, but you need to survive," said Kolosha, who doubled the amount of land he planted with sunflowers from the season before the war started.

## Lawyers Appeal Extending Reporter's Detention

By ANN M. SIMMONS

Lawyers for jailed Wall Street Journal reporter Evan Gershkovich have appealed a Moscow court's decision to extend his pretrial detention until Nov. 30.

Gershkovich, a 31-year-old U.S. citizen accredited to work as a foreign correspondent by Russian authorities, was detained March 29 while on a reporting assignment. Russia's Federal Security Service alleges he was engaged in espionage, an accusation he, the Journal and the U.S. government vehemently deny.

The journalist has been held at Lefortovo prison in Moscow since he was detained. If the latest extension stands, he will have been behind bars for at least eight months before the start of any trial. Russian prosecutors haven't said when a trial would be held.

Gershkovich's appeal was lodged at the Lefortovo District Court in Moscow on Friday, according to the court. The appeal is to be heard at the Moscow City Court.

Gershkovich's lawyers couldn't be reached for comment. Previously, Gershkovich's lawyers have asked the court to grant him bail or allow him to await trial under house arrest. Their requests have been repeatedly denied.

Gershkovich is the first American journalist arrested on espionage charges in Russia since the end of the Cold War. The State Department has deemed him wrongfully detained, unlocking a broad U.S. government effort to exert pressure on Russia to free him.

On Thursday, the Journal expressed disappointment over the extension of Gershkovich's detention.

"We are deeply disappointed he continues to be arbitrarily and wrongfully detained for doing his job as a journalist," the newspaper said in a statement. "The baseless accusations against him are categorically false, and we continue to push for his immediate release. Journalism is not a crime."


Emma Tucker, editor in chief of the Journal, and Almar Latour, chief executive of Dow Jones and publisher of the Journal, said in a joint statement that it was "also a reminder of the fight we're in as Evan has now been wrongfully detained for five months—a horrific and sobering milestone in our efforts to free him."



Russian prosecutors haven't said when a trial of Evan Gershkovich would be held.

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WORLD NEWS

Ideology Drives Xi's Fiscal Plans

Continued from Page One  
down on consumer internet firms and other private companies—a campaign that led to weaker private investment—it remains skeptical of their unregulated expansion.

Meanwhile, China's economic outlook continues to darken.

Manufacturing activity has contracted, exports have fallen, home prices are weakening and consumer prices have dipped into deflation. Youth unemployment has reached record highs.

Xi signaled Beijing's intent to avoid more Western-style stimulus in a speech published on Aug. 16 by the Communist Party's premier journal, Qushi. He urged "patience" and the need to avoid following a Western growth model.

Timing of the publication was intentional, according to two of the people familiar with Beijing's decision-making. Xi gave the speech in February, but it was made public only after China released new data showing continued economic weakening.

By publicizing the speech now, the people said, the leadership intended to push back on voices at home and abroad urging Beijing to do more to help the economy, particularly with a fiscal package targeting households rather than government projects.

Another party journal, Study Times, published an article that specifically argued against handing out cash to consumers. "While such measures could work in stimulating consumption to some extent, the cost of doing so is too great and it is absolutely unfeasible in China's case," the publication said.

The State Council Information Office, which handles media inquiries for senior leaders, didn't respond to questions.



Economists and investors have been calling on Beijing to promote consumer spending by offering handouts.

What stimulus Beijing has provided has come in dribs and drabs, and to limited effect. Several interest-rate cuts have failed to expand activities because of tepid demand for credit.

Fear of 'welfarism'

Beijing's reluctance to bet more heavily on consumption goes back years. Chinese officials resist policy changes that would encourage people to save less and spend more, such as expanded health and unemployment benefits. The lack of spending on social welfare runs counter to some stated goals of China's Communist Party, which has staked its legitimacy on delivering continued prosperity.

Chinese households' cash benefits from the social-security system make up 7% of the country's gross domestic product—about a third of the ratio in the U.S. and the European Union, according to Bert Hofman, head of the National University of Singapore's East Asian Institute.

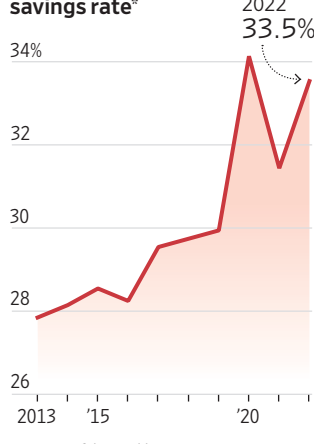
Calls for stimulus

Beijing might eventually back more-aggressive stimulus, especially if it risks significantly missing the government's growth target of 5% or so for this year. Some economists note how Beijing initially refused to abandon tough Covid-control measures, only to abruptly change course when costs grew too high.

More likely options now include greater spending on infrastructure and other government-favored projects, as well as further credit loosening—following several recent interest-rate cuts—economists and people familiar with Beijing's thinking said.

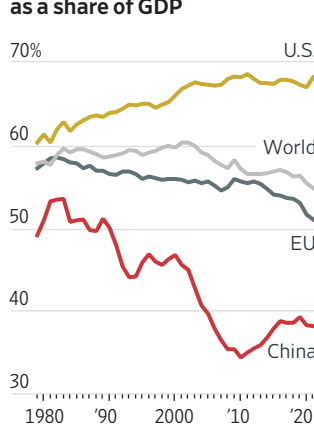
Such moves reflect Beijing's preference for having the government play the central role in goosing growth, either by investing in infrastructure or by channeling funds to selected sectors such as semiconductors and artificial intelligence that can advance

China's household savings rate\*



\*Percent of disposable income  
Source: UBS (savings rate); World Bank (household expenditure)

Household expenditure as a share of GDP



Looming risks

The longer China waits, the more it risks slipping into prolonged stagnation, some economists warn, potentially turning the country from a reliable source of global growth into a risk to the world economy.

"Investors are waiting for signs that Beijing will adopt significantly more forceful and effective stimulus policies," said Michael Hirson, head of China Research at New York-based consulting firm 22V Research. "The latest signals suggest continuation of a conservative approach despite the risks that it is insufficient to address China's current challenges."

Beijing's stimulus options are further constrained by high debt levels, especially among local governments. The people familiar with Beijing's decision-making said Xi and his team believe they must be careful with stimulus so they don't undermine efforts to limit debt and curb speculation, especially in the property sector.

Communist Party aims.

The Aug. 16 Study Times article emphasized the benefits of the longstanding investment-led model, saying "investment not only generates immediate demand, but also serves as the true driving force for growth."

But many economists worry more is needed to get China

clicking again. Investment in roads, factories and other hard assets to drive growth has been yielding diminishing returns as the government runs out of useful projects to build.

Consumption remains a smaller part of the economy, and could drive years of growth if properly encouraged, economists said.



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## FROM PAGE ONE

# Donor Visits Children

*Continued from Page One*  
seen union of in vitro fertilization, the internet and low-cost DNA testing. Together, these disparate advances have made it possible to find biological fathers who in the past were kept largely anonymous by sperm banks.

Months after Stone-Miller and his wife split up in 2020, a stranger messaged him. “I really hope you don’t feel violated in any way, but it’s Canadian Thanksgiving and I wanted to tell you how grateful my family is to you,” wrote Alicia Bowes, one of Harper’s two mothers. She had tracked Stone-Miller through social media and clues from his donor file, including his first name and his father’s occupation as a forensic psychologist.

Stone-Miller opened Bowes’s Instagram page and saw Harper’s photo. Days later, he asked Bowes if he could join a Facebook group of parents called Xytex 5186 Offspring, named after his sperm bank ID. She agreed to form a new group for those interested. When he told the group he wanted to meet their children, the parents of 20 of them responded. Most of the parents in the group are female couples or single women, reflecting a trend in the sperm-bank industry.

Stone-Miller learned about the Facebook group at a tough time in his life. His former wife and her young son had moved out of the three-bedroom house in east Atlanta they bought together. “I felt like such a failure,” he said. A few months later, on the first day of a new job, he received Bowes’s message.

The relative ease of finding the identity and whereabouts of sperm donors is remaking traditional views of what comprises a family. Parents say introducing a biological father to their children carries potential rewards, as well as the risk of hurt feelings and failed expectations. More than a million Americans have been conceived through artificial insemination and in vitro fertilization; the number born of sperm donors isn’t tracked.

Sperm donation, long shrouded in secrecy, had already changed by the time Stone-Miller began. He gave permission for the sperm bank to reveal his identity to any of his biological children after they turn 18. Joining the Facebook group opened the door years early. “I wanted to watch the children grow up,” he said.

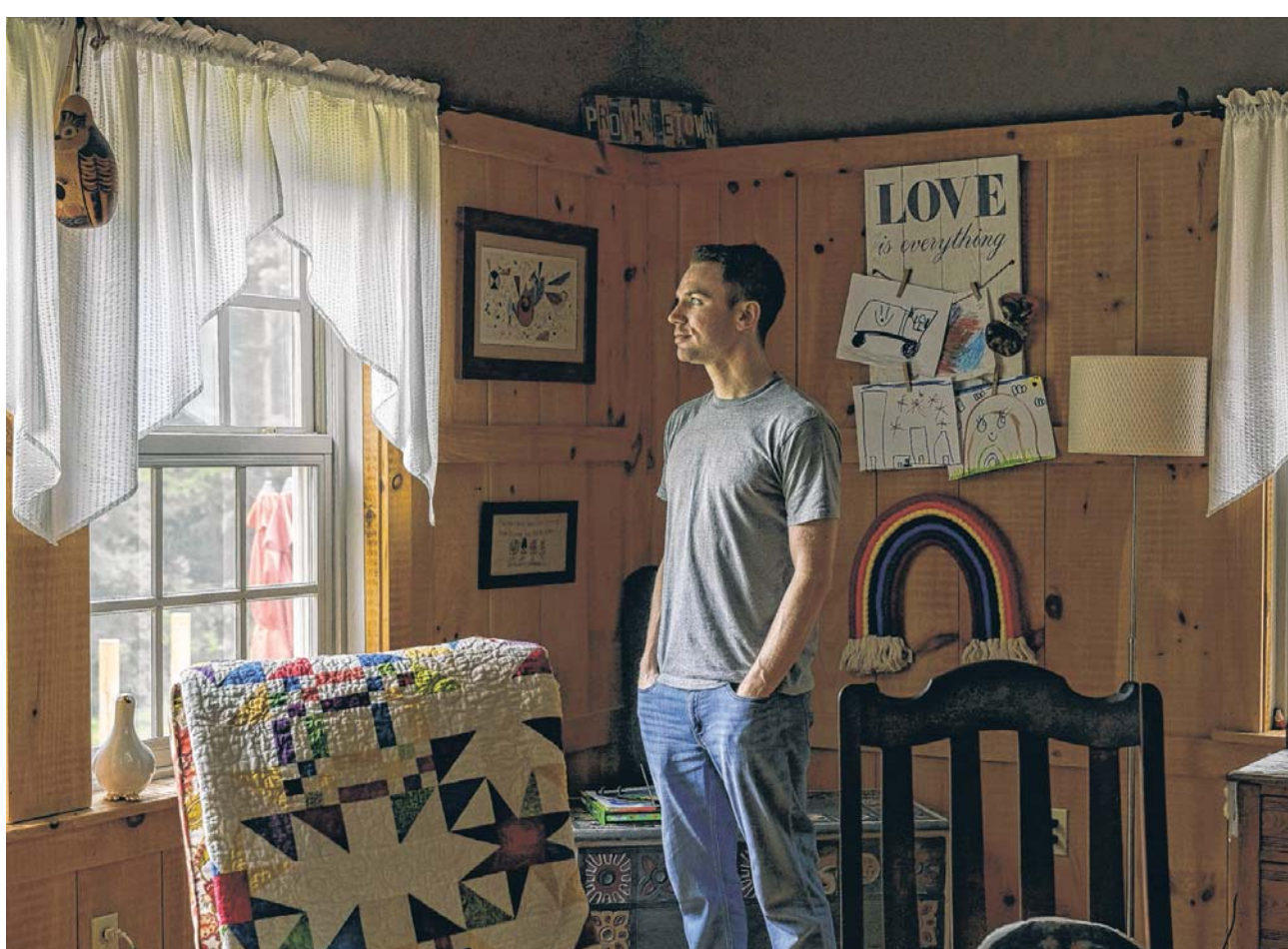
Some parents decided they wanted nothing to do with him. Those who have welcomed him to their home are trying to figure out his role—a biological father, a donor dad, a visitor or special friend. Neither parents nor Stone-Miller are certain where to draw the line.

“There are moments when it feels intrusive with Dylan,” said Bowes, who has allowed Stone-Miller to visit twice in the past year. “It’s about us figuring out what boundaries are, as well as him figuring out his boundaries.”

Stone-Miller’s mother, Rebecca Stone, said she doesn’t have a simple answer to explain her son’s motive. She is delighted, though, to see the photos Stone-Miller sends of



Dylan Stone-Miller, left, holding J, one of his biological children, during a May visit with the family of Lindsay Harris, right, and Lindsay Murphy, J’s two mothers, and their son Cal, another of Stone-Miller’s biological children; below, Dylan Stone-Miller during a stop on his 9,000-mile road trip.



her biological grandchildren. “I can see facets of Dylan in almost all of the children,” she said. “So many of them are blond and blue-eyed the way he was. I can see the spark, the spark he always had.”

As a college student, Stone-Miller said, he donated sperm for the money, \$100 a visit. Looking back, he said, it was more than cash that kept him at it for six years.

Stone-Miller has twice visited Harper and her sister Harlow—also one of his biological children. In July, he stayed nine days at an Airbnb near their house in Edmonton, Canada, the longest visit of his road trip. The girls’ mothers acknowledged the complexities of the relationship, from his role in their lives to what to call him.

“I don’t want Harper to feel like she can call him anything,” Bowes said. “He is not her dad. Period. If she were to say that in front of us, we would straight up say, ‘Dylan is not your dad. He will never be your dad. You don’t have a

dad. You have a donor.’ ”

That didn’t set well with Stone-Miller. “It was hard to look my biological daughter in the eye and tell her I wasn’t her dad,” he said.

Early in his trip, Stone-Miller stopped at his grandmother’s house in Marshfield, Mass., and voiced his disquiet about finding his place among all the children. “Am I a parent? Maybe sometimes from the child’s perspective? I don’t know,” he said. “It’s not for me to say, but it certainly feels like parenting every once in a while.”

Stone-Miller said he had told his therapist that he expected to stay connected with his biological children indefinitely. “And yet,” he asked, “how is that possible?”

## Hard goodbyes

Before leaving on his trip, Stone-Miller went to see Cal, his 6-year-old biological child who lives in a suburb of Atlanta. He had visited the boy several times in the past two

years, and Cal told his two mothers that he wanted to spend time alone with Stone-Miller. The moms agreed to let Stone-Miller drive Cal to a Target store to buy toys.

“I have some trepidation about sending Cal off in the car with Dylan,” said Lindsay Harris, one of Cal’s mothers. “But I believe Dylan is who he says he is. He has proven that. It feels reassuring. I totally trust him.”

After Target, they went to the park to spend the afternoon with Cal’s moms and his 3-year-old brother, another of Stone-Miller’s biological children. When it was time to leave, Cal was sad and so was Stone-Miller. “It’s hard to say goodbye each time,” he said.

Cal’s mothers were grateful for the visit. “Where we live, there is no family like ours,” Harris said. “So when a kid says, ‘You don’t have a dad,’ Cal can say, ‘I do have a biological dad. I have a donor dad. I see him. He is part of my life.’ ”

Two days later, on May 26, Stone-Miller ate a pile of banana pancakes, and at 9 a.m. he left Atlanta in a Toyota RAV4 packed with clothes for hot and cold weather, camping gear, Frisbees and children’s books, including “Harold and the Purple Crayon.” He reached his most distant point, Vancouver, at the end of July, and he expects to return home by September.

Stone-Miller made an early stop in eastern Connecticut, to see 5-year-old Mac Wraichette, who was waiting expectantly. “The moment he woke up, he asked, ‘Is Dylan coming?’ ” said Jessie Wraichette, one of Mac’s two mothers. It was Stone-Miller’s third visit.

During their time together, Mac got in the pool to show off his swimming. “You’re like a fish,” Stone-Miller told him. He pushed Mac on the backyard swing set. When Mac ran to the slide and climbed the ladder, Stone-Miller called out a warning to Mac’s mothers

about nearby plants.

“Is that poison oak?” he asked. “I don’t want him to touch that if it’s poison oak.”

## Perfect storm

Stone-Miller’s parents divorced when he was 14. He and his sister, who is four years younger, spent six out of every 14 days with their father and the rest with their mother, who was a professor of ancient indigenous American art history at Emory University in Atlanta.

When he was 19, Stone-Miller said, a woman he dated told him she was pregnant. She had planned to have the baby but changed her mind. “I had started to make the mental shift toward becoming a father,” he said. “I had a vision in my mind about what it might look like to have brought life into the world.” Her decision left him with a lingering feeling of loss, he said.

Nine months later, Stone-Miller, who was studying psychology at Georgia State University, was arrested for underage drinking. His parents told him he had to pay for a lawyer. A roommate told him about the money he was making as a donor at the sperm bank Xytex. The opportunity came during a “perfect storm of financial need and personal events,” he said.

Xytex said it monitors the reported geographic distribution of children born from a common donor, in line with industry guidelines.

Stone-Miller collected seashells from a beach in Costa Rica, where his father, now remarried, lives. When Stone-Miller visits his biological children a second time, he asks them to choose one as a gift. He said he tries to be fair about splitting his time with the children. He keeps a spreadsheet for their names, ages and birthdays and when he last saw or spoke with them.

Stone-Miller planned to see

14 on his road trip, setting aside the longest amount of time for Harper and Harlow. He arrived to see the girls on July 10 and stayed nearby. He babysat them, affording their mothers a night out. Stone-Miller said he made ravioli that night, but Harper didn’t like it. He fixed her toast and eggs. He read the girls bedtime stories and helped them brush their teeth.

During the visit, he took Harper to the mall, and at the food court a passerby told her, “That’s one good dad,” Stone-Miller recalled. It was an awkward moment. “We look alike,” he said. “With the type of intimacy Harper and I share, it was easy for people to say this is a father-daughter relationship.” Harper, he said, calls him Donor Dylan.

Harper and Harlow had an older brother, Huxley, who died three days after his birth. To commemorate Huxley, his mothers got matching tattoos of Benedict the bunny, a stuffed toy, sitting atop the moon, three stars for the number of days the baby lived and his name. They also got washable tattoos for Harper and Harlow to wear. During his visit in July, Stone-Miller also wore one. Stone-Miller, who was Huxley’s biological father, said he, too, felt the loss.

He took a photograph of the tattoo and asked the mothers whether they minded if he got a real one like theirs. Bowes said that was fine. Later that night, the moms talked it over. They discussed personal boundaries—what belonged to the family, what they felt comfortable sharing with Stone-Miller. They have a role as parents, and he has a smaller role as a donor. Huxley’s memory was theirs, they decided.

“It felt like he was pushing too much,” Alicia Bowes said. “No one could understand the grief of losing your child. This felt like our personal space, something very close to our hearts.”

The next day, Bowes’s wife sent Stone-Miller an Instagram message saying she wasn’t comfortable with him getting the tattoo.

“I understand I did not go through the loss in the same way they did,” Stone-Miller said. “It was their experience. I had my own experience of it.”

Bowes said she has come to better understand Stone-Miller, and that she can imagine the powerful tug he feels toward the boys and girls who look like him and want his time and attention. She understands that her family and the other parents are connected to a man they barely know and whose steadfastness is untested.

“We came on the scene when he was going through hard times. Being with the children gave him a renewed sense of purpose,” Bowes said. “As we get to know him more, we all feel more comfortable. But my sense is he is going to feel more entitled, which can be problematic. We need to keep enough walls up to protect our girls and our family, but to make them permeable enough that he can come in.”



Dylan Stone-Miller during a visit with Mac Wraichette, one of his biological children.





## More Sun, Less Screen To Protect Young Eyes

Too much screentime, lack of outdoor playtime causing rise in myopia



**FAMILY & TECH**  
**JULIE JARGON**

**K**ids aren't spending enough time outside. It's fueling an epidemic of nearsightedness. Nearsightedness develops in childhood, typically between ages 5 and 16, and it's closely linked to a lack of exposure to sunlight. Eye doctors say more kids are developing the condition and at earlier ages. Half the global population is expected to be nearsighted by 2050, up from 30% now, according to the World Health Organization.

Sure, kids choosing screens over outdoor fun is a long-running—potentially overplayed—theme. And as annoying as it is to parents, it's been hard to quantify the damage. In the case of eyesight, however, the research is

clear. Our vision is getting worse because of our relationship with our devices.

While there's no consensus on how much time kids spend outside, doctors like to cite one stat, from a 2015 University of Michigan study: Kids spent just seven minutes a day in unstructured outdoor play time. If anything, that figure has shrunk in recent years.

Schools and child-care centers still have recess, and many kids play outdoor sports, so they're likely getting more outdoor time than that. But they aren't wandering the streets or riding bikes like they did in past decades.

People with myopia, the condition's formal name, have a hard time seeing things clearly in the distance. It's referred to as nearsightedness or shortsightedness because people can see things up close more easily. When eyes don't get enough natural light, they grow longer, say researchers. The longer shape makes it harder to

focus, so objects in the distance appear blurry.

"There's something in the spectrum of visible light that prevents the eyeball from growing too much," says Dr. Tommy Korn, an ophthalmologist in San Diego.

If myopia is left untreated with glasses or contact lenses, it can eventually lead to cataracts or blindness. Korn and other doctors say myopia diagnoses have accelerated in the past three years as schoolwork shifted online and kids spent more time inside during the pandemic. Myopia progression among children increased by up to 35% during the pandemic, according to one report.

### Tech reminders

"Kids are busy with structured activities and when they're given the opportunity to have free time, they often choose inside activities like electronics," says Dr. Jennifer Haggar, a clinical associate professor of pediatrics at the University of South Dakota

almost constantly.

But tech can be part of the solution. Apple this fall is offering two new features to assist in the prevention of myopia.

With WatchOS 10, which is expected next month, the device's ambient light sensor will track how much time people are spending in daylight. The feature will be available on Apple Watch Series 6 and later and on Apple Watch SE, which is the model worn most by young kids. That data will show up in the Health app of the iPhone with which the watch is paired.

### Myopia progression among children increased by up to 35% during the pandemic.

Apple is also introducing a new feature in iOS 17 and iPadOS 17, also due out next month, for devices that have Face ID. It prompts people to hold their iPhones or iPads farther away if the device's sensors detect they're being held closer than 12 inches for an extended period. Once you get the software update, you can enable the feature by going to Screen Time in Settings and turning on Screen Distance.

Korn says decreasing the amount of time you spend looking closely at books or digital devices can reduce the progression of myopia.

### What else you can do

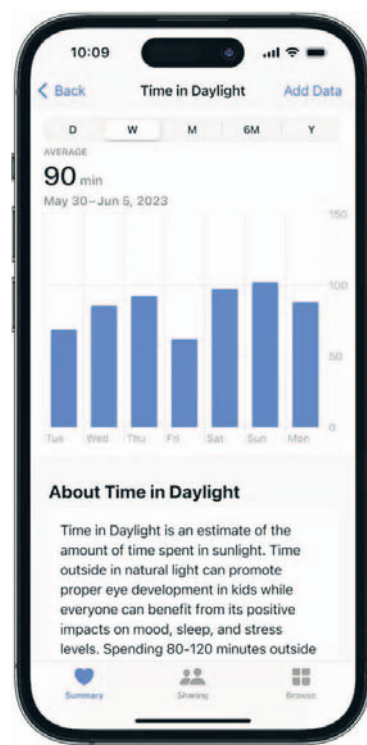
**Find small chunks of time.** The International Myopia Institute recommends children spend 80 to 120 minutes in daylight every day. This doesn't have to be all at once, say doctors—15 minutes here and there adds up. Send your kids to the backyard while you prepare dinner, have them walk to school if possible and build in other routine ways for them to catch some rays.

**Do any outside activity.** The time kids spend outside doesn't have to involve sports or other strenuous physical activity. Taking a walk or reading a book under a tree is fine. (Just be sure your kids hold their books more than a foot away from their face.)

**Don't worry about the weather.** You don't have to be exposed to direct sunlight to derive benefits. Being in the shade or under clouds is fine.

**Make it a family thing.** Haggar, the pediatrician, says kids are more likely to spend time outside if their parents do, so do outdoor activities together.

**Track it.** Tracking goals is thought to lead to more accountability, so keep a log of how much time your kids spend outside. You can use plain old paper if you don't have a watch or other device.



▲ With the coming update, certain Apple Watch models will be able to sense how much time you spend in daylight.

Sanford School of Medicine.

Children spend more than seven hours a day looking at screens, on average, and some studies find that teens are online

### MY RIDE | BY A.J. BAIME

## Film Director Goes Off Script with Truck

Nicholas Maggio, 43, writer and director of the feature film "Mob Land" who lives in Los Angeles, on his custom 1978 GMC Sierra Grande pickup called "Deth Clutch," as told to A.J. Baime.

I have always loved the late 1970s GMC and Chevy "square body" pickups. Even though I grew up in Bakersfield, Calif., where everyone had pickups, I had never owned one myself. I knew I wanted to do a custom build, but I didn't have a clear idea. I did a photo se-

Maggio says his Sierra Grande includes things he loves, like 1980s Chevrolet Camaro seats.

ries on a group of guys in northern Alabama who were big into beat-up muscle cars. They built these cars with whatever they had, because they wanted to do burnouts and drag races and have fun. Those guys inspired me.

During the pandemic, I found a farm truck on Craigslist. It was nothing special, just a survivor, and I bought it for \$7,200. Within a couple of weeks, I had it in a buddy's speed shop in Compton.

The idea became: Let's build a backyard race truck, something that was hand-built and spliced together with whatever we had around. But it would actually not be that; it would be a homage to that. In fact, it would be highly curated. It would



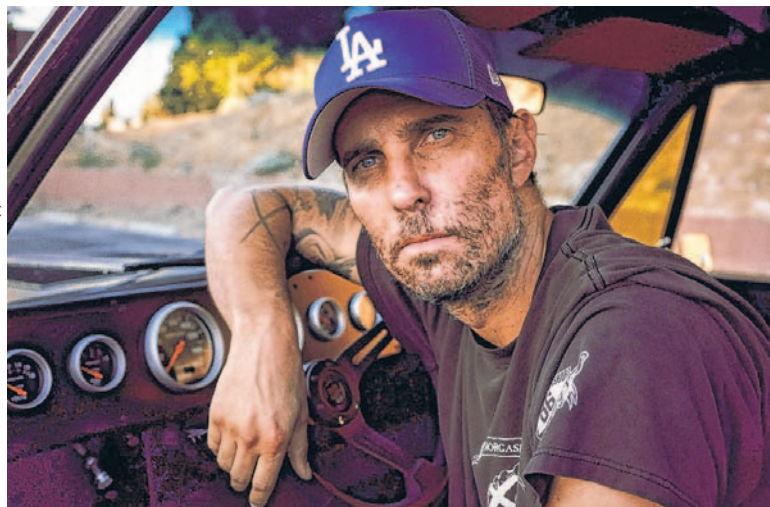
be me in truck form, a hodgepodge of everything I love. A little beat up, getting up in years, loud and absurd, like a junkyard special, but more high-end. Sort of tastefully distasteful. It was never meant to be serious—just a way to have fun. The truck's name is "Deth

Clutch," and I have that on the horn button at the center of the steering wheel. My buddy at the Compton speed shop rebuilt the motor, squeezing as much out of the 350 cubic-inch V-8 engine that he could without a turbo or supercharger. We pulled seats out of an '80s

Camaro because I like the shape and color. My buddy made a custom aluminum racing dash with AutoMeter gauges and hand-fabricated a grille. We stripped the interior and put in all-new suspension. All of it sits on big Mickey Thompson-brand tires [Thompson was a famous drag racer who was murdered in 1988].

I started a truck club with a buddy called 'El Los Sadboys.' It's only him and me. Our motto is, "So Far, So Good"—a nod to the French movie from the 1990s called "La Haine." In it, there's a voice-over about a guy who falls off a building, and he is counting the floors as he falls. With each floor, he says, "So far, so good." Meaning: I'm not dead yet. That about sums it up.

When I drive Deth Clutch through Los Angeles, most people see it and think, "What is this gross truck? Get out of the way." But a niche type of motor-sport person will see it and really love this truck. It's not terribly fast, but it is a raw, visceral driving experience. You're doing 80 mph, and it feels like 210.





PERSONAL JOURNAL.



**PERSONAL TECHNOLOGY**  
**JOANNA STERN**

# Buying the Best EV Under \$60,000

Our tech columnist reviewed five electric vehicles for battery life, touch screens and smart assistance—and came up with a winner

What does a tech columnist like me know about cars? So much. Sure, I thought “drive-train” was what a railroad engineer does, and a “catalytic converter” was a meow-to-English translator. But in the past decade, cars became computers on wheels. Especially the new electric cars. And I do know computers.

Batteries, fast chargers, touch screens, cameras, apps, operating systems. The electric-vehicle revolution has brought smartphone and laptop essentials to the open road, while pushing much of the 20th-century mechanics onto the exit ramp.

So when I decided to look to the future and buy an EV for my second family car, I needed to think charging cables, not jumper cables. The hard part was figuring out which EV to buy—and if any could actually rival the industry pioneer, **Tesla**. (Spoiler: Some do!)

My criteria: around 300 miles of battery range, strong safety ratings and all the coolest tech. And a price tag of \$60,000 or less.

Before I knew it, my driveway looked like a Hertz lot. I had five of the leading electric compact SUVs: Ford’s Mustang Mach-E, Hyundai’s Ioniq 5, Kia’s EV6, Tesla’s Model Y and Volkswagen’s ID.4.

All of the companies except Tesla provided loaner vehicles, which I tested for about 10 days each. I rented a six-month-old Tesla Model Y on the car-sharing marketplace Turo.

I took the three top contenders—the Tesla, Ford and Hyundai—on a road trip. I evaluated battery range, charging, infotainment and assisted-driving systems. Just like with Mac vs. PC and iPhone vs. Android, I found these cars ran on distinct platforms, each with their own hardware and software trade-offs.

## Battery range

Decades of testing gadget batteries has taught me two things: 1) There’s no perfect way to test, since everyone uses their devices differently. 2) You should do it anyway.

So I recruited two of my colleagues, and together we drove the three finalists to the same place on the same day.

The destination: Lime Rock Park racetrack in Lakeville, Conn., about 130 miles north of my house in New Jersey. We charged all the cars to 100% and tried to standardize battery drain by maintaining similar speeds and air-conditioning levels.

When we arrived, the Tesla

and the Ford were neck and neck, with around 150 miles left on the battery. The Hyundai was just behind at around 125 miles left. That’s in part because of the configurations we tested. The Tesla Model Y Performance is rated for a 303-mile range by the Environmental Protection Agency, while the Ford Mustang Mach-E Premium with its extended battery is rated for 290 miles. The Hyundai loaner was rated for 266 miles. (A rear-wheel-drive option is rated for 303 miles.)

My EV road rally ended up being less of a race and more of a confirmation that Teslas aren’t the only 300-mile options out there.

## Battery charging

Tesla uses its own charging connector and port, which it now calls the North American Charging Standard. After you’ve put your payment information in the Tesla app, you can plug in at a Tesla station, which automatically starts charging the car—and your account.

Ford, Hyundai and those others I tested use the Combined Charging System port, which is bulkier than Tesla’s design and works at charging stations operated by a variety of new names, including EVgo, ChargePoint and Blink.

I encountered three issues with non-Tesla chargers:

► **Reliability:** At a local EVgo station, it often takes time for the charger to communicate with the vehicle and start charging. On sev-

eral occasions, I had to restart the process. Once, in Maryland, I couldn’t connect the charger properly and had to get back in the car and repark at another stall.

Sara Rafalson, a senior vice president at EVgo, attributes this to the “complicated handshake that happens between the vehicle and the charger,” explaining that this should improve as industry standards develop. EV drivers can also use the company’s app to simplify the process, she added.

► **Payment apps:** The apps might be helpful for repeat customers, but they’re a pain when you pull up to a charger and there’s no other way to pay. Here’s a fun story: Late one night in rural Connecticut, we came across a SemaConnect charger with no credit-card reader. With little cellular service, I tried downloading the app—only to learn that another charging company, Blink, had bought SemaConnect. So I downloaded *another* app. Fifteen minutes fumbling in the dark, and I was finally charging.

SemaConnect’s transition to the Blink network might have caused an inconvenience for some users, a Blink spokesman said. Also, the company is adding more chargers with credit-card readers.

► **Charge speed:** That SemaConnect charger was slow—Level 2 in EV speak, just a notch up from the wall plug that charges your phone. It took roughly six hours to charge the Ford and Hyundai from about 40% to 100%. Charging a car can take less than an hour using DC fast charging if you can find it. Locating Tesla’s fast chargers, aka Superchargers, was easier wherever I was.

The good news? Tesla has agreed to allow other cars from Ford, GM and others to access more than 12,000 Superchargers in early 2024.

## Infotainment

According to my growth projections, cars will have touch screens the size of pickleball courts by 2027.

Both Ford and Tesla have replaced virtually all buttons, knobs and dials with center-console tablets. The Tesla’s 15.4-inch screen is horizontal while the Ford’s 15.5-inch screen is vertical—and has a physical knob to control volume and temperature.

But Ford has another screen behind the steering wheel so you can monitor speed, range and more without looking over. With the Tesla, I found it distracting to keep glancing to the right. The Hyundai also has two screens, though less gormonous.

Tesla is closest to having a whole-car operating system. You tap the display to set the child lock, open the glove compartment and do other tasks. The navigation

experience is tied in to Tesla’s charging network and integrates live battery information. There’s no Apple CarPlay or Android Auto, but you can pair your phone. If you pay for the \$10-a-month Premium Connectivity package, you can stream directly via in-car Apple Music and Spotify music apps, plus other options.

Ford’s and Hyundai’s own software looks like Windows 95 by comparison, but they make up for it with CarPlay and Android Auto. Ford has wireless CarPlay and deeper Apple Maps integration.

## Assisted driving

All three finalists have active driving assistance, including adaptive cruise control and lane centering for controlling speed and steering.

Ford’s BlueCruise assesses road conditions and consults built-in maps to indicate when you are in a “hands-free zone.” In such a stretch of highway, it prompts you to take your hands off the wheel. To initiate a lane change, you just flick the turn signal.

The first time I let the Ford’s system shift lanes on the Garden State Parkway at 65 mph, I had to remind myself I had good life insurance. The more I trusted the car, the more comfortable I got.

Tesla’s Enhanced Autopilot tells you to keep your hands on the wheel at first. In my tests on the highway, however, I was able to use it hands-free. Enhanced Autopilot can even actively follow the navigation, automatically merging onto highways and taking exits. I couldn’t bring myself to trust it.

## The verdict

OK, buying a car isn’t *exactly* like buying a computer: It’s a more emotional decision.

Sure, Tesla has a superior charging network—and my 6-year-old loved how the car makes fart noises. (Seriously.) But I found the Ford to be a smoother, more enjoyable drive, and I really felt more comfortable with the screen over the steering wheel. Plus, I don’t expect to road-trip more than two or three times a year in this car, and I’m installing a home charger.

So my plan is to lease the Ford Mustang Mach-E. With this technology improving so quickly, just as smartphones did in their first decade, it’s hard *not* to want to upgrade after a few years. And the Mustang, nice as it is, might end up being the BlackBerry of EVs.

As with so many of my past columns, I’m betting on a dongle—the one that plugs Fords into the Tesla networks—to connect the past to the future.

## Watch a Video

Scan this code for a video on Joanna Stern’s road trip to find the best EV for under \$60,000.



# Real Cost of Body Scans Goes Beyond The Price Tag

By Alex Janin

Companies are selling body scans to seemingly healthy patients, promising peace of mind. Traditional medical professionals are concerned about the costs.

The financial cost for a preventive scan ranges from \$650 to several thousand dollars. Insurance generally doesn’t cover it.

Demand for these types of procedures has surged, particularly among the wealthy, healthcare professionals say. People are driven by a fear of mortality. The clinics say they can help patients catch early-stage health issues such as cancer or aneurysms before symptoms occur. Kim Kardashian recently shared an Instagram post touting her own scan from the preventive-MRI company Penuvo.

But beyond the upfront price tag, these scans can trigger unnecessary expenses and anxiety, say some radiologists and family doctors. The detection of unexpected masses can lead to follow-up tests and pro-

cedures, even if these “incidentalomas” are usually benign. The clinics generally don’t handle that in-house, instead flagging concerns that patients can take to a specialist.

And while many scans employ magnetic resonance, which has no radiation exposure, others do expose patients to potentially unhealthy radiation.

“These are a bad idea,” says Dr. Mirza Rahman, a physician and president of the American College of Preventive Medicine. “Follow-ups mean everything from more costs to more procedures that may lead to complications.”

The ACPM has published formal guidance recommending against full-body scans in asymptomatic patients. The American College of Radiology released a statement in April: “There is no documented evidence that total body screening is cost-efficient or effective in prolonging life.” Radiologists in the Netherlands who conducted a meta-analysis of studies on preventive full-body MRI screenings found scans yielded false positives 16% of the time on average. “We often see patients coming to the hospital because of an incidental finding, and we have to deal with it,” says Dr. Thomas Kwee, associate professor in the University of Groningen’s radiology department and lead writer on the meta-analysis.

But healthcare professionals acknowledge preventive scans aren’t going away—and are likely to be-



come even more popular among wealthy patients who feel detection of any life-altering illness is worth the extra hassle and cost.

## Health risks

There are dozens of clinics that specialize in or offer full-body preventive imaging, including MRI, CT scans and DEXA scans, which can measure bone density and body composition. There are more health risks associated with imaging that uses radiation, such as CT scans, radiologists say. Exposure to low-dose radiation slightly elevates a person’s risk of developing cancer, research shows.

“Disease is there and if you can go and look for it, you’ll find it there,” says Dr. David Fein, medical director at Princeton Longevity Center, a private firm offering full-

body and cardiac CT scans at its four locations.

Taylor Dukes, a 33-year-old nurse practitioner with a functional medicine practice in Fort Worth, Texas, believes her 2022 Penuvo scan was a lifesaver. The company offered it free to her. At the time, Dukes says, she felt no symptoms and didn’t anticipate the MRI would reveal a “significant finding.”

There was a mass on her brain, and among several potential diagnoses was an aggressive, often lethal tumor. Subsequent imaging and removal surgery revealed the mass was a less aggressive but still cancerous tumor called oligodendroglioma, says Dukes. If left untreated, the condition could cause seizures and, in some cases, death.

“Many of us have felt the devas-

tating effects of cancer and oftentimes, it’s diagnosed in its later stages, where the chances of survival decrease, treatment becomes less effective and quality of life can quickly decline,” says Andrew Lacy, Penuvo’s chief executive, adding, “The risk of uncovering findings of indeterminant significance and false positives are not new and exist in any radiologic examination.”

## Recommended scans

Some doctors may recommend full-body scans in asymptomatic patients with certain risk factors, including a genetic predisposition to forming multiple tumors, says Dr. Resten Imaoka, a radiologist at Washington University School of Medicine in St. Louis.

The U.S. Preventive Services Task Force recommends annual lung-cancer screening with CT scan for adults between ages 50 and 80 who have smoked the equivalent of a pack a day for 20 years and currently smoke—or who quit within the past 15 years.

Dr. Ron Primas, a concierge medicine doctor who specializes in prevention and longevity, recommends full-body MRIs for people with strong family histories of certain malignancies or aneurysms. He says 15% or 20% of his patients have done it. “In September when everybody comes back from the Hamptons and they all start getting physicals for the year, I’m sure I’m going to get a lot more requests,” he says.

PHOTO ILLUSTRATION BY THE WALL STREET JOURNAL. STOCK





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## ARTS IN REVIEW

## EXHIBITION REVIEW

## A Palace of Spain's Imperial Past

By DOMINIC GREEN

**G**eography makes history. For centuries, the wall of the Pyrenees meant that Spain was of Europe but not in it. Yet imperial Spain shaped early modern Europe and made Iberia a treasure house of the continent's religious and artistic past. Too distant to be assimilated but too important to be ignored, Spain was ruled from 1555 to 1931 by foreign dynasties. As Austrian Habsburgs and French Bourbons built the Spanish state, they built palaces and bought possessions, domesticating European styles to Spain's crepuscular interiors and Catholic mission.

Today, Spain is a constitutional monarchy. Madrid's Royal Palace, set on a flattened hilltop above the city like an acropolis, doubles as a museum. A government agency, National Heritage, administers the royal patrimony. Designed by Emilio Tuñón Álvarez and Luis Moreno García-Mansilla, the new Royal Collections Gallery, which opened on June 28, buttresses the 104-foot drop where the southern edge of the palace plaza overlooks the Campo del Moro gardens.

The lowest four of the museum's 14 stories make an 86,000-square-foot public space. Entering from the plaza, visitors descend by stone ramps to two giant exhibition halls. Each is laid out like a Roman racetrack, just over 300 feet long and only 50 feet wide, one for "The Austrians" and one for "The Bourbons." If the ramps suggest Spain's decline from imperial glory, the halls' long straights and tight corners evoke international competition and royal baton-passing. As each dynasty ran its course, it accumulated a house style, kept up Catholicism, and kept out its neighbors and rivals. The gallery's director, Leticia Ruiz Gómez, traces four centuries of imperial patronage, and the mix-



ing of imported taste and local talent, through 650 of National Heritage's 170,000 holdings. Her economical and expert selection includes tapestries, armor, bronzes, furniture, state coaches and paintings by Caravaggio, Velázquez, Mengs and Goya.

After unifying Spain in the late 1400s, the "Catholic Monarchs," Ferdinand and Isabella, married their children into Europe's royal houses. In England, Henry VIII's dissatisfaction with their daughter Catherine precipitated the Reformation. In Austria, their Habsburg grandson Charles V ruled a vast European empire. In 1556, Charles's son became Philip II of Spain. A pious patron and imperial microman-

**The vast museum, which opened in June, tells a four-century dynastic story.**

ager, Philip inherited his father's portable altar in ebony, silver and gold and a peripatetic Spanish court. The massive Flemish tapestries that subdivide "The Austrians" were luxurious symbols: In Michel Coxcijs's tapestry, Noah builds the Ark as Philip will build the empire. They also warmed his chambers in the winter.

El Escorial, Philip's summer palace outside Madrid, had a pantheon, a seminary and a library. There were Italian frescoes; Philip's collection of over 7,000 saintly relics and Counter-Reformation artworks; an Embroidery Workshop, to make the services at



its monastery as lavish as possible; and his reliquary collection, including a gilded fold-out miniature of the Duomo of Milan and a teak casket trimmed in mother-of-pearl from India. El Greco's "Adoration of the Name of Jesus," also called "Allegory of the Holy League" (c. 1577-79), encapsulates this Hispanic mixture of piety and luxury. A tumble of bright colors carries the eye from the saints in heaven to Earth, where the pope blesses a kneeling, black-clad Philip for defeating the Turks.

**A room in Madrid's Royal Collections Gallery devoted to the Austrian Habsburgs, whose Spanish rule began in the 16th century, top; a view of the museum's vestibule, above**

The expense of Philip's Vietnam-like entanglement with the Protestant rebels of the Netherlands broke the empire's finances. The round marble base of the Eagle Fountain (c. 1540) steers the visitor around the end of the hall and into imperial decline. The Habsburgs took it on their famously prognathous chins. Philip III (1598-1621) achieved a 20-year truce with England and spent the dividend on tapestries rather than war. Philip IV (1621-1665) posed as Hercules in his portrait by Velázquez, lost both Portugal and the Netherlands, but gained Caravaggio's "Salome With the Head of John the Baptist" (c. 1607). Austrian Spain now resembled Velázquez's "White Horse" (1634-38), rearing militantly with no one in the saddle. The last Habsburg, Charles II (1665-1700), is represented by his Black Carriage (c. 1670-80), an anticipation of his own funeral in ebonized walnut.

Exit the morbid Baroque. Enter the Bourbon Philip V (1700-1746), bearing bright French rugs; bright ideas about creating royal workshops for tapestries, glass and crystal, porcelain, silk, clocks and silverware; and also the plans for the Royal Palace up on the plaza. Enter also Philip's Italian wife, Elizabeth Farnese, bearing paintings by Corrado Giaquinto from Naples, Neoclassical knickknacks, Chinese lacquer, Edo and Imari jars from Japan, and also Charles III (1759-1788), who did his best to inhabit his paintings by Watteau through French-style parties at his country retreats.

The Bourbons were never as Spanish as the Austrians. Where other kings had nudes, Philip V hid Michel Ange Houasse's scenes of French peasant life in his cabinet. Spain was not what it was, either. In Spenglerian form, the arts ripened as the dynasty declined. The northern connection now found expression in the Classical fantasies of Anton Mengs, not the religious intensity of the Flemish weavers. Goya's patron, Charles IV (1788-1808), was chased out by Napoleon and his son Ferdinand VII restored by the British. When we see Ferdinand VII's carriage, a sporty post-Napoleonic model, we know the gilt is thinning and the end is near.

*Mr. Green is a Journal contributor and a fellow of the Royal Historical Society.*



**'A White Horse' (1634-38) by Diego Velázquez, left; the ebonized walnut Black Carriage, below; and a gallery devoted to the French Bourbons, who succeeded the Habsburgs as rulers of the Spanish empire, bottom**





# SPORTS

By JOSHUA ROBINSON

Novak Djokovic has spent nearly his entire professional career chasing the twin targets of Roger Federer and Rafael Nadal. By the time he won his first Grand Slam tournament, in 2008, the other two had 15 major titles between them.

Fifteen years later, those twin monuments to sporting greatness are all but gone. Federer retired last year and Nadal is recovering from injury in the hopes of making next season his swan song. For the first time in his tennis life, Djokovic, 36, is by himself at the pinnacle of the game.

Or at least he was. Carlos Alcaraz, the 20-year-old tennis prodigy from Spain, has given Djokovic a new rival to concentrate on wherever he goes. Just as Federer and Nadal seemed ever-present to him, Djokovic can be sure that for the rest of his career, the road to more trophies will usually go through Alcaraz.

“Carlos is No. 1 in the world,” Djokovic said. “Sure, there’s always an eye that follows him from my team.”

The men’s singles draw couldn’t have made the objective any clearer. If all goes according to plan, Djokovic and Alcaraz would meet for the fourth time in three months.

Their first Grand Slam encounter came in Paris, at a Roland-Garros semifinal in June, where fans were robbed of a potential epic as muscular cramping prevented Alcaraz from playing his best. The Spaniard had no such physical issues at Wimbledon in July, where he outlasted Djokovic in a grueling 4-hour, 42-minute final, a feat akin to beating a kangaroo in a hopping contest. Most recently, the two men met again this month in the final of the Western & Southern Open in Cincinnati, where Djokovic prevailed as the best-of-three match went the distance.

“He’s always pushing me to the limit,” Djokovic said. “I think I do to him pretty much the same thing.”

Far from being a thorn in his side, Alcaraz serves a useful purpose for a player like Djokovic, who thrives on high-level rivalries. As he chases a 24th major title, Djokovic has both an unparalleled ability to tailor his game to face his best opponents and the control to raise his level when he needs it most. It’s no



After years of battling with Roger Federer and Rafael Nadal, Novak Djokovic, right, has a new and much younger rival in Carlos Alcaraz, left.

## Djokovic Has a New Rival

The 23-time major champion is settling into an explosive rivalry with World No. 1 Carlos Alcaraz

coincidence that over the course of his career, Djokovic narrowly owns the head-to-heads against Federer and Nadal.

“It is key that you know yourself, what makes you tick and that you embrace that,” ESPN analyst John McEnroe said. “And use that hopefully to your advantage.”

Even by the standards of monomaniacal athletes, Djokovic is more single-minded than most. Alcaraz, the defending champion in pursuit of his third career Slam, called that focus Djokovic’s “mental rock”: Even when he looks like he’s on the verge of losing, “he always gives the chance to himself to keep playing and be able to win.”

Strangely, the US Open has pro-

vided a few rare exceptions to that rule. Though he excels on hard courts and has won the Australian Open on 10 occasions, Djokovic’s record in Queens is a little thinner than you might expect. He’s won the US Open three times—as many times as the clay-court French Open—but lost six finals. The most recent came in 2021, when Djokovic’s bid for a calendar-year sweep of all four majors ended with an emotional defeat against Daniil Medvedev.

Then again, the US Open is a little more prone to upsets than most. No man has repeated as singles champion since Federer won five titles in a row from 2004 to 2008.

“Could be the fact that it’s the

end of the season in a way...the last Grand Slam of the year,” Djokovic said. “It’s been eight tough months of tennis for all the players.”

The extra fatigue also makes an already unpredictable women’s draw even more open—there aren’t two clear favorites and the rest. The three Grand Slam tournaments this season have been won by three different players: Aryna Sabalenka, Iga Swiatek, and Marketa Vondrousova. But any of half a dozen women could make a compelling case to win, including World No. 4 Elena Rybakina.

Swiatek, meanwhile, remains the World No. 1 and defending champion, though she has complained about exhaustion this season and

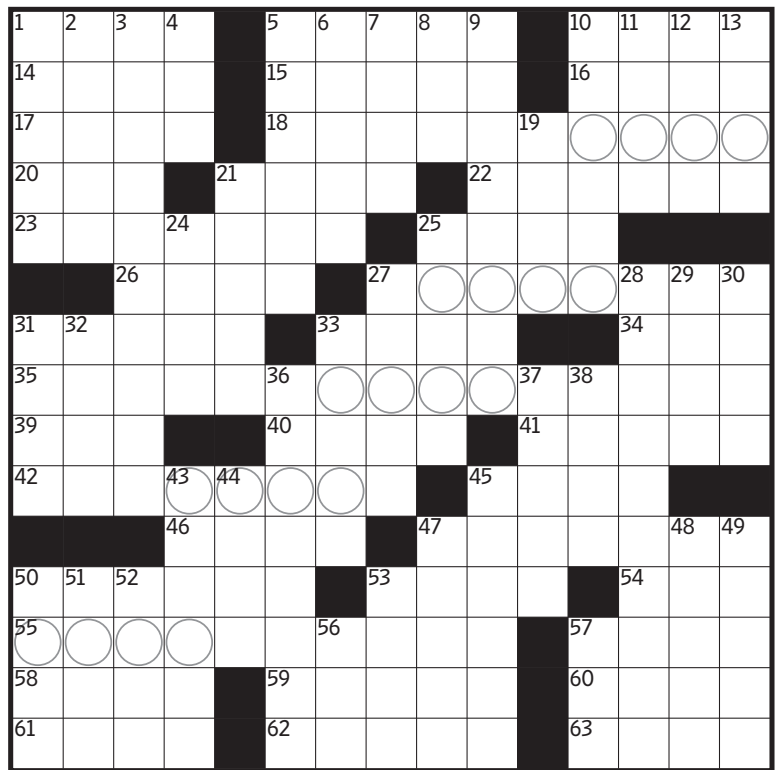
said she is still getting used to her status in the game. Winning three of the past six majors had put a target on her back.

“I felt like everybody started to analyze my game, to learn a little bit more,” she said on Friday. “They kind of focused on winning with me. So it wasn’t easy—I felt that.”

It’s a problem that Djokovic has been familiar with for a while, especially in New York where he hasn’t been a champion since five years.

“I get nervous as anybody else, really,” he said. “People think that I don’t have any stress or tension. Actually on the contrary, I have quite a lot of that. I have to deal with it, manage it.”

### The WSJ Daily Crossword | Edited by Mike Shenk



- 27 Porridge-eating trio of story
- 28 “Really, I kid you not!”
- 29 Any minute now
- 30 Chick tenders
- 31 Urban haze
- 32 “If I Only \_\_\_ Brain” (song in “The Wizard of Oz”)
- 33 Move smoothly
- 36 “Camelot” role
- 37 Justice Kagan
- 38 Clarinet part
- 43 Westminster Abbey setting
- 44 Workers with hills
- 45 Ruler for whom a roll is named
- 47 Where Minos ruled
- 48 Raring to go
- 49 Dalmatian features
- 50 Like robin’s eggs
- 51 Enthralled
- 52 Not fooled by
- 53 Driver of “Star Wars: The Rise of Skywalker”
- 56 Money for senior years: Abbr.
- 57 Some volcanic output

## Spain’s Soccer Chief Suspended As Players Push for a Change

By JOSHUA ROBINSON

One tumultuous week after Spain won the first Women’s World Cup in its history, the country is still dealing with the fallout from federation chief Luis Rubiales forcibly kissing national team player Jenni Hermoso on the pitch after the victory.

On Saturday, soccer’s world governing body provisionally suspended Rubiales from all soccer activities for 90 days after he adamantly refused to resign despite widespread calls for his ouster with the federation in disarray. All 23 players of the national team have said that they wouldn’t represent Spain again under the current leadership. Several members of the women’s coaching staff, including trainers and analysts, resigned over the weekend in protest of Rubiales’s conduct.

In addition to the suspension, FIFA also barred Rubiales “from contacting or attempting to contact the professional player of the Spanish national football team Ms. Jennifer Hermoso or her close environment.”

Now, Spain’s soccer federation will hold an urgent meeting on Monday to evaluate the situation.

The incident in question occurred on the pitch in Sydney, right after Spain had beaten England 1-0. As the players filed past the podium to collect their medals, Rubiales greeted each one individually with a hug. But when Hermoso’s turn arrived, Rubiales grabbed her face with both hands and kissed her on the lips.

“I felt vulnerable and the victim of an assault, an impulsive, macho act that was out of place and without any consent from me,” Hermoso had said on Friday. “Simply put, I was not respected.”

The controversy has wiped out what should have been a week of celebration for Spain, which only quali-



FIFA suspended Spain soccer chief Luis Rubiales for 90 days.

fied for its first women’s World Cup in 2015 and has now won the whole tournament in only its third try. Instead, the incident has sparked a war between a world champion team and its own governing body and prompted a larger reckoning over sexist behaviors in Spanish soccer.

In their open letter, co-signed by 58 other players, the women’s national team expressed its “firm and resounding condemnation of behaviors that have violated the dignity of women.”

Then a few hours later, the Spanish soccer federation responded by defending Rubiales in a lengthy statement that accused Hermoso of lying about the incident. “Only when an insurmountable red line was crossed did he publicly provide his version of the events,” the federation wrote.

Specifically, it pointed to a string of four photos, arguing that Hermoso had put her arms around Rubiales and lifted him off his feet as players filed past while collecting their World Cup winners’ medals. “[Hermoso] continues to hold the President in the same manner, while the President must continue

holding onto the player to avoid falling,” the federation said,

The statement never addressed the kiss from Rubiales. Earlier in the evening, Rubiales also appeared to grab his crotch while celebrating in the VIP box at Stadium Australia.

“The RFEF respects, as it has always respected, the decisions of the players to participate or not with the Spanish national team in international matches,” the statement added.

In a news conference on Friday, the 46-year-old Rubiales accused his critics of attempting to take him down with “false feminism” in a “social assassination.” “I will not resign,” Rubiales said. “I will fight this to the end.” Rubiales was already an unpopular figure among the Spanish women’s team. He had been the one who decided to maintain women’s national coach Jorge Vilda in his role last year, despite a walkout from 15 players who argued that his methods were too controlling. Vilda remained in place and a few of the players, including Hermoso, came back to the squad after talks with the federation.

### ENVIRONMENTAL MOVEMENT | By Mike Shenk

- |  |  |                               |  |
|--|--|-------------------------------|--|
| <b>Across</b>                            | 33 Equipment   | 58 Not more than              | 11 Like some vaccines                        |
| 1 Is audibly mournful                    | 34 Foot feature  | 59 Make a speech              | 12 Western writer Grey                       |
| 5 Utah’s state tree is one               | 35 “Anne of the Thousand Days” playwright                    | 60 Fat used in mincemeat      | 13 Early automaker Ransom                    |
| 10 Foolish fellow                        | 39 Lofty poem  | 61 School on the Thames       | 19 Jake who was in both the Senate and space |
| 14 Clumsily sit (down)                   | 40 Broadcasts  | 62 Circus performer           | 21 Green item in a Monopoly game             |
| 15 Handle                                | 41 Isn’t perfectly upright                                   | 63 Possessive on a towel      |  |
| 16 River of Russia and Kazakhstan        | 42 Draped decorations  |                               |  |
| 17 Jessica of “Sin City”                 | 45 Boat backbone   | <b>Down</b>                   |  |
| 18 Pore filler                           | 46 At some earlier time                                      | 1 Fire starter                |  |
| 20 One of 24 in the human body           | 47 Birthday cake adornments                                  | 2 Jump by a skateboarder      |  |
| 21 Foot feature                          | 50 Author Charlotte, Emily or Anne                           | 3 Typical 1940s Sinatra fan   |  |
| 22 Birds in many government agency seals | 53 Opera piece   | 4 Relaxing retreat            |  |
| 23 Term typed into a search field        | 54 Spigot  | 5 State with confidence       |  |
| 25 4,840 square yards                    | 55 Earth movements, and a description of the circled letters | 6 Made a dress, say           |  |
| 26 Close                                 |  | 7 Banana waste                |  |
| 27 Coax with flattery                    |  | 8 Letter that looks like an H |  |
| 31 Puma products                         |  | 9 Aid for a speaker, perhaps  |  |
|  |  | 10 Swelled unnaturally        |  |

**Previous Puzzle’s Solution**

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

The contest answer is **UNDERCHARGED**. As suggested by the clue at 69-Across, take the three letters beneath DIP in the four theme answers (**UND**/**ERC**/**HAR**/**GED**) to spell the contest answer.

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).



## OPINION

## Little to Like on the Prefix Menu



INSIDE VIEW  
By Andy Kessler

Why the post-haste to use “post”? A post-truth world, post-gender society, post-liberal order. I recently read of a post-prestige TV era. Since “Mister Ed,” has it ever been prestigious? Or postmodernism. Shouldn’t modernism always be current? That’s as illogical as post-apocalyptic. But my favorite post is post-rationalists—known on Twitter as “postrats”—kind of a beyond-truth troop. Irrational but fitting.

Don’t get me started about “late” as in late-stage capitalism. How many times have you heard pretentious poseur know-it-alls talking to their post-pierced barista and fellow pre-employed chai latte sipping layabouts using daddy’s credit card discussing how capitalism isn’t simply over but “so over”?

The German economist Werner Sombart is said to have been the first to print the term late-stage capitalism, around the turn of the century—the 20th century, that is. More than 120 years on, can it get any later? Better late than post, I guess. Late-stage capitalism means folks are fed up with having to work hard and instead are looking for handouts. Complain about capitalism all you want, but folks in Russia, Venezuela and Seattle, the short-lived home of the Capitol Hill Autonomous Zone, sure know what

late-stage socialism looks like. It works both ways. A doctor looking at my A1C blood-test readings told me I was pre-diabetic and to give up bread. How “pre”? Because I’m also pre-death. In Silicon Valley, most software is pre-release, even though it’s been released. Renamed “beta” to make it sound cool, these are test versions of the future. ChatGPT was released with many flaws—let users find all the mistakes.

“Uber” was a cool preemie, as in uber-athlete, *Übermensch*, until canceled ride pickups ruined it. The umlaut version of *über* is a nice touch. And be warned, adding “super” in front of any word can be super-annoying.

Here’s another trick. Add “neo” before almost any “ism” and it makes it sound über-hip, super-now. What was tired becomes new again. Like neoclassicism, which is almost an oxymoron. Neoexpressionism. Neo-Confucianism. Sadly, whenever I hear “neo,” all I can think of is Keanu Reeves’s character Neo, from “The Matrix” movies, dodging bullets and still talking as if he’s in “Bill & Ted’s Excellent Adventure.” Neocolonialism. Neo-Marxism. You can neo anything.

There are already too many “isms” and “ists.” Impressively, a New York Times columnist used the words masculinist, individualist, narcissist, victimologist and safetyism in short order. In six months, he can write another column about neo-masculinists, and so on. Or how about this, also in

the Times, from tech and artificial-intelligence skeptic Evgeny Morozov pining for a “post neoliberalism” future—a double bagger. Of course, that’s simply a mushy way to say he hates free markets. Neo-stupidism.

If there’s a “pre” and a “post” then surely there must be a “peak,” right? Peak popularity. Peak performance. Maybe we’ve hit peak ESG. In June BlackRock CEO Larry Fink said he’d stop using the

From ‘post’ to ‘late,’ ‘neo’ to ‘uber,’ we’re gorging on faddish constructions.

abbreviation for environmental, social and governance investing because it had been “weaponized.” It’s about time. I noted a year ago that BlackRock is the one that weaponized ESG as a marketing tag to charge higher fund fees.

Have we hit peak DEI as well? The Journal noted in July that high ranking diversity, equity and inclusion executives at Disney, Netflix and Warner Bros. have left. This is a sharp contrast to 2019-22 when, according to LinkedIn, chief DEI officer ranks rose 169%. It’s all peak to me.

“Counter” also gets overused. Counterculture, counter-revolutionary, which almost sound like contradictions. And go ahead, use “contra” instead of “counter” for a 1980s vibe, as in the Nicaraguan Contras.

Doctors throw out long words like contraindicatory rather than say, “Don’t take that drug.”

Here’s something very 2020s: Call something “mid” as in middling or mediocre, like Netflix shows or AI skeptics. It evidently started on TikTok as a putdown for the Midwest: “Skyline Chili? Mid. Your Cincinnati Reds who haven’t won a World Series since 1990? Mid.” Time to forbid mid.

But not if it is replaced by “doom” as in doom-scrolling and doom loops. This will probably have legs as doom-sayers and doomsdayers start to doom Zoom about everything. Here’s a snappy comeback: “OK Doomer.”

Anyone can play this game. “Pseudo” is a good working modifier that usually means sham or superficial. Like pseudoscience. If you want to be really annoying, which I often do, pronounce it “sway-dough.” Especially to pseudointellectuals talking about post-neoliberalism or the late, later, latest stages of capitalism.

“Quasi”—fun as “KWAZY”—is another great one, defined as “seemingly” or “apparently but not really.” Quasi-official, quasi-monopoly. “Apparently but not really” describes almost everything spewing from politicians’ mouths.

Have we hit peak Biden? Peak Trump? Pre-sumptuous. Nonetheless, I hope someday to live in a neo-post-peak prefix world.

Write to [kessler@wsj.com](mailto:kessler@wsj.com).

BOOKSHELF | By Robert W. Merry

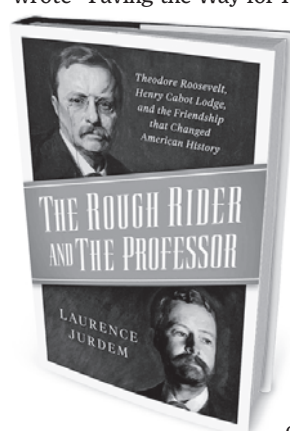
## Friends In High Places

The Rough Rider and the Professor

By Laurence Jurdem  
(Pegasus, 464 pages, \$32)

In 1884, as Henry Cabot Lodge of Massachusetts prepared to attend the Republican National Convention, he sent a letter to Theodore Roosevelt of New York, who was also scheduled to be at the Chicago gathering. The two men had never formally met, but Lodge felt they had much in common. Neither was particularly well-known. The political experience of each at that point consisted mostly of brief stints in their respective state legislatures. Each harbored, however, overpowering political ambitions.

Lodge’s note touched off a remarkable 35-year friendship that was nurtured by some 2,500 letters. That correspondence forms the foundation for Laurence Jurdem’s lively narrative, “The Rough Rider and the Professor,” rendered in unadorned prose and with a touching sympathy for his subjects. Mr. Jurdem, who teaches history at Fairfield University and wrote “Paving the Way for Reagan” (2018), illuminates not



only the momentous lives of these two powerful figures and the affection they held for each other but also the history of America from the 1880s to the 1920s.

Lodge and Roosevelt grew up in similar circumstances, in spacious, high-ceilinged mansions, the former on Boston’s Beacon Street and the latter in New York’s Gramercy Park. Both were Harvard men and Porcellian Club members. Both viewed political success as a kind of birthright. And both embraced two political themes that gained force in America as the Gilded Age faded into the Progressive Era. One was that the United States, now fully secure on the North American continent and protected from encroachment by two vast oceans, must embrace the challenge of global leadership. Already the country boasted the world’s largest economy. Lodge and Roosevelt wanted it also to become the world’s leading military power. “The United States must not fall out of the line of march,” declared Lodge in advocating what he called a “large policy” of imperial expansion, including the acquisition of Cuba and Hawaii, construction of a U.S.-dominated canal across Central America, and an unsurpassed navy. Roosevelt embraced this vision, and ultimately so did America, as evidenced by the thrust of William McKinley’s 1898 war against Spain.

The other broad concern was the progressive imperative brought on by the country’s frenzied post-Civil War industrial expansion. Many industrialists and their allies contended that the expansion had generated vast wealth and spread prosperity across the land. True, but it also had brutalized many Americans left behind or struggling in an economy dominated by abusive corporate plutocrats. Lodge and Roosevelt, reformers by nature with strong sensibilities of civic morality, advocated government intervention to redress the troublesome economic disparities.

That posed some tricky questions: How much intervention was needed to do the job? And when would it begin to crimp the wealth-generating machine that was the U.S. economy? That’s where frictions sometimes emerged between the two friends, with the more conservative Lodge wanting to pull Roosevelt back from what he considered to be too much regulation. Roosevelt, though quick to denigrate what he called “fool reformers” early in his career, later became an occasional fool reformer himself.

The disparity reflected some significant differences in personality. Lodge was the consensus builder, the political networker, always seeking the middle ground and working for Republican unity. Mr. Jurdem writes that Lodge’s natty dress and chiseled features gave him “every inch the image of elegance and dignity.” Roosevelt, by contrast, was impetuous, voluble, erratic, amusing, grandiose and prone to marking his territory with political defiance.

A friend noted that, while Henry Cabot Lodge craved success, Roosevelt was ‘happiest when he conquers but quite happy if he only fights.’

Lodge, who began his career as a Harvard instructor before entering politics, became a U.S. senator in 1893, at age 43, and settled in happily at that station for the next 31 years. Roosevelt, meanwhile, set his sights on a more lofty goal but often seemed stymied by his own combative nature. New York’s powerful GOP boss, Thomas Platt, despised him, declaring, “I want to get rid of the bastard.” When friends put Roosevelt’s name forward as a possible assistant secretary of state, Secretary James G. Blaine rejected him, saying, “I fear he lacks the repose and patient endurance required.”

A friend to both Lodge and Roosevelt captured a telling difference between them in saying that, while Lodge craved success, Roosevelt “is happiest when he conquers but quite happy if he only fights.” Keeping Roosevelt’s fighting spirit in check became a lifelong preoccupation for Lodge, whose affection for his friend spawned a conviction that Roosevelt must capture the White House someday. Even as Roosevelt languished in what seemed like a dead-end job as New York City’s police commissioner from 1895 to 1897, Lodge wrote to him, “I do not say you are to be president tomorrow. I do not say it will be—I am sure it may and can be.” To that end, Lodge worked tirelessly to promote Roosevelt for various government stepping-stone jobs. “You are certainly the most loyal friend that ever breathed,” Roosevelt once wrote to Lodge in gratitude.

But Roosevelt’s big break came with his courageous derring-do during the 1898 Spanish-American War. Eager to see battle, he helped form a voluntary calvary, known as the Rough Riders, and traveled to Cuba to join the fray. He quickly became the country’s most stirring political figure and parlayed his new stature into a New York governorship and later (after Platt undermined his chances for re-election) the vice presidency under McKinley. With McKinley’s assassination in September 1901, the Rough Rider became president.

That inevitably brought about a change in the Lodge-Roosevelt relationship. Once a mentor, Lodge now became, at most, a peer. “Instead of Lodge running me,” Roosevelt declared, “I run Lodge.” Despite intermittent disagreements, however, the friendship would endure, cemented in part by the powerful belief they shared, notes Mr. Jurdem, “in the greatness of the United States.”

Mr. Merry, formerly a reporter with *The Journal* and CEO of *Congressional Quarterly*, is the author of five books on American history, including “*President McKinley: Architect of the American Century*.”

## Socialism Sinks Venezuela’s Schools



AMERICAS  
By Mary Anastasia O'Grady

An abiding promise of Latin American socialism is public education for all. But when the left gets to power, it rarely delivers the goods. Observe the full-fledged train wreck that is Venezuela’s public school system. Its victims are the country’s most vulnerable children, who number in the millions.

Dictator Nicolás Maduro hasn’t yet announced the date for the reopening of Venezuelan schools after the summer recess. But for most families that’s a mere technicality. Even after the official start of classes, many students will arrive to find class isn’t in session. Never mind the squalid, dilapidated classrooms with leaky roofs, toilets that don’t flush and no food. In many schools there will be no teacher.

In July a teacher who had worked in the slums of the city of Maracaibo told the Inter Press Service news agency about her own experience: “For many days in a row there is no running water, there are blackouts, and it’s impossible to use the fans to cool off the classrooms.” That bleak picture is repeated all around the country. Yet the teacher shortage may be the most difficult problem to overcome.

Qualified instructors are hard to find because since 2015 inflation has destroyed salaries. In February protesting

teachers said that average pay is \$6 to \$20 a month, far from what’s needed to meet monthly expenses. An estimated 25% of teachers left the profession from 2018-21, and many have fled the country. Those who remain serve mostly part-time because they need to earn money elsewhere.

One result is high dropout rates among adolescents. But after seven years of dysfunctional public education, exacerbated by the pandemic, even those who formally finish high school are unlikely to have mastered their topics.

Shoddy schooling isn’t new in Venezuela. For decades before the 1998 presidential election of Hugo Chávez, Venezuelan governments led by social democrats put unions above children and continually fell short of the goal of universal access to high-quality teaching. By the mid-1990s, Venezuelan primary and secondary school learning was alarmingly poor. “Ignorance, more than personal insecurity, inflation or unemployment, is the biggest problem facing Venezuela,” the Caracas-based newsletter *Veneconomía* said in a November 1994 editorial titled “Recipe for an Underclass.” The piece cited a study by the Central University of Venezuela indicating that “the deep problems of the educational system endanger the development and long-term competitiveness of the nation. It’s not news that the primary education system has been churning out illiterates for some time, but the study suggests that

most of its educators are also deficient in the area of reading, hinting at an educational swamp far more entrenched than many experts believed possible.”

The conventional explanation for Chávez’s popularity is that a market economy left too many Venezuelans behind. Yet after Venezuela returned to democracy in 1958, it mostly had populist, left-of-center governments for 40 years. They promised to make life fair through deficit spending, price and capital

Raging inflation destroys the salaries of teachers, who have stopped showing up.

controls, a state-owned oil company and lots of labor regulation. Instead corruption and poverty flourished—and education came a cropper. When Chávez arrived on the scene, pledging to upend things, he became a folk hero.

He died in 2013 and oil prices plunged the following year. The economy is now in ruins and Venezuelans scrounge daily for food and other necessities amid persistently high inflation. More than seven million have emigrated, many of them professionals.

Education has gone from bad to worse. Children no longer have access to schooling unless their parents can pay for it or they’re lucky enough

to land at a school run by a private charity or a Catholic institution like Fe y Alegría. Children are a good prop for communists, but the regime has written them off. It doesn’t even track students or administer standardized tests.

Private research and anecdotal reports do, however, provide some insights into the matter. One of those is Encovi, an annual survey of Venezuelan living conditions designed to “offer a social x-ray on a national scale.” Its latest report found that “an estimated 1.5 million children and adolescents (between 3 and 17 years old) remained outside the school system in the 2021-2022 period.”

This grim statistic doesn’t count the large number of students who are officially enrolled in school but aren’t actually learning because teachers don’t regularly show up. “In public schools,” the online Venezuelan newspaper *TalCual* reported in June, “classes are now taught with irregular, incomplete and changing schedules, depending on the day of the week.” This “mosaic schedule” isn’t “a law, it is not written on paper and, until now, no authority from the Ministry of Education has clarified or denied its approval,” *TalCual* explained. But it’s “an unfortunate reality that reached the majority of public schools at the beginning of the 2023 school term.” It’s one more reason Mr. Maduro doesn’t want to face a competitive election.

Write to [OGrady@wsj.com](mailto:OGrady@wsj.com).

## Country Isn’t as Grumpy as Oliver Anthony

By A.J. Kritikos

Kicking off the first 2024 presidential debate with a question about a country song was music to my ears.

Alas, the song was Oliver Anthony’s “Rich Men North of Richmond,” which turned Mr. Anthony into an overnight superstar. That chart-topper is about young men despairing because the elites “keep on kickin’ them down.” It will be a shame if pop or rock fans come away from the debate thinking Mr. Anthony’s song is representative of country music.

I was a late-blooming country fan, but what hooked me is that more than any other genre, country songs often emphasize contentment with what you have. You’re much more likely to hear a country song about spending time with family than living in a mansion or flying on a private jet.

The tracks I enjoy are in

sharp contrast with Mr. Anthony’s song. They’re joyful, gratitude-laden tunes like Kane and Katelyn Brown’s “Thank God,” in which the husband-and-wife express gratitude for bringing them together, or Jordan Davis’s excellent “Next Thing You Know,” which covers the full

‘Rich Men North of Richmond’ is an outlier in a genre devoted to gratitude.

span of a married couple’s relationship. It includes a touching take on becoming empty nesters that sees opportunity in loss: “You get to know your wife again / And you’re more in love than you’ve ever been.”

Of all the great country artists, none may be a better antidote to despair than Cody

Johnson. Dozens of his songs focus on his gratitude for his wife, daughters and faith.

Mr. Johnson was a bull rider in his youth. He was good enough to make the professional circuit but not good enough to be elite. When he washed out of bull riding, Mr. Johnson said he was in a “pretty dark period” and felt like a “loser” and “failure.”

Mr. Anthony’s hit song opens with a young man lamenting that he works hard only so he can “waste my life away” and “drown my troubles away.” It’s easy to see how that could have been Mr. Johnson at his nadir.

Mr. Johnson could well have gotten stuck in a rut. Luckily, he wasn’t alone. His wife quit school to help support him while he pursued his dreams. He has been writing songs about her ever since.

In Mr. Johnson’s new hit “The Painter,” he sings about how his life was “black and

white” before he met his bride. She “brought the beauty I was missin’ with her / Showed me colors I ain’t ever seen. . . . I thank God every day for how He made her / My life was black and white, but she’s the painter.”

Mr. Anthony may be right that the rich men north of Richmond “just wanna have total control,” but they’re powerless to keep someone like Mr. Johnson down. Maybe in the next debate the moderators will play a tune by Mr. Johnson and ask those vying to be the next leader of the free world to explain the limits of what politics can do—and what lies beyond.

That’s the real beauty of country music. Find someone or something to bring color to your life, and you won’t be able to help but say, sing, or shout how thankful you are.

Mr. Kritikos is a lawyer in Texas.



## OPINION

## REVIEW &amp; OUTLOOK

## Progressive Prejudice and the Courts

Judges are apparently supposed to live monastic existences. And whatever they do, they shouldn't stay current on the law. At least that's the implication from the latest progressive attack on conservative jurists.

The leftwing outfit Fix the Court is at it again, this time in a letter to Judge Roslynn Mauskopf, Secretary of the Judicial Conference that administers the federal courts. The Aug. 10 complaint says that dozens of Republican-appointed appellate judges have reported participating in educational events sponsored by the likes of the Law & Economics Center at the Antonin Scalia Law School and the Judicial Education Institute. Oh, no, better call the cops.

The Judicial Conference's ethics guidelines require, among other things, that judges disclose when private organizations pay more than \$480 for their travel, food, lodging and other expenses for attending educational-related programs. Fix the Court perused these disclosures and didn't like what it found.

Seminars are "becoming more overtly ideological," Fix the Court says. By ideological, it means intellectual. The outfit complains they are often held at high-end hotels in remote locations. This "appears inconsistent with Canon 2 of the Code of Conduct for U.S. Judges, which states, 'A judge must avoid all impropriety and appearance of impropriety in all activities.'"

Fix the Court doesn't elaborate on the impropriety. But it points to a colloquium sponsored by the Scalia Law School at a "resort" in Girdwood, Alaska. The daily rates there are about the same as at an Embassy Suites in Washington, D.C. Yet the letter grouches that "it's unclear why this symposium had to be conducted in the 49th state."

Perhaps because judges and legal scholars enjoy the great outdoors. Where are they supposed to meet? How about a practicum in San Francisco's open-air drug markets about the destructive impact of the Ninth Circuit Court of Appeals's rulings that read a right to va-

grancy into the Constitution?

Fix the Court also complains that the Alaska event featured our columnist Kimberley Strassel, "who unironically gave a talk titled 'Media Attacks on Judges and the Campaign to Delegitimize the Judiciary' just months after referring to Justices [Elena] Kagan and [Sonja] Sotomayor as 'radical

judges.'"

Fix the Court linked to a video of Ms. Strassel on "WSJ at Large" after Justice Stephen Breyer announced his retirement. She didn't call Justices Kagan or Sotomayor radical. She merely said a more radical liberal block might embolden conservative Justices. Her analysis is a far cry from the baseless campaign to delegitimize conservative Justices that Fix the Court has been leading.

It's notable that Fix the Court singles out Republican-appointed judges, as if Democratic-appointed judges have never attended seminars at nice hotels. "But there's nice, and then there's nice," the outfit writes. Do progressives have a judicial balancing test to determine when hotels are too nice?

Fix the Court also takes aim at seminars focusing on originalism, the judicial philosophy of interpreting the U.S. Constitution based on its original meaning. "With all of this method's practitioners on one side of the ideological divide, we question whether such an event comports with ethical norms and the goals of legal education," the letter says.

Originalists aren't a secret society, and originalism doesn't result in pre-ordained outcomes, as the different opinions by Justices Clarence Thomas and Neil Gorsuch, among others, have made clear. Even liberal judges employ the method from time to time in their opinions, even if they come to different outcomes.

Fix the Court claims to be nonpartisan, yet its ethics complaints against judges swing one way. Its latest salvo is a partisan drive-by strafing that the Judicial Conference would do a public service by ignoring.

## Now the left goes after judicial conferences—and our Kim Strassel.

## Litigation stalls a much-needed new bridge for five years.

## A Study in Infrastructure Madness

Politicians pretend to worry about crumbling roads and bridges while ignoring the red tape that helps keep them shabby. Even in the wild and free Great Plains, litigation is propping up a decrepit bridge that a railroad is paying millions to replace.

North Dakota's Supreme Court heard a case this month that pits BNSF Railway against an activist group trying to stall it. The dispute is over a 140-year-old bridge connecting Bismarck to Mandan across the Missouri River. The company received final state and federal approval this year to replace it, but appeasing the activists has delayed the process for five years and counting.

Friends of the Rail Bridge lay out their legal claim in a 58-page memo with a dubious theory of property rights. It concedes that a 19th-century federal law gave BNSF's predecessor "right of way through the public lands . . . for the construction of a railroad," but it says that ownership is void because the company lacks an original deed.

That claim has already been dismissed by the state of North Dakota, which the activists

claim is the bridge's rightful owner. Attorney General Drew Wrigley stayed clear of the fight for years, but he told a historic board last month that final say over the replacement proposal rests with "a private entity that owns the bridge." A filing this month from the AG's office warns that the court "should not reward" the activists' legal maneuver.

The good news is that BNSF will proceed with a new bridge while the suit over the old one drags on. It began construction in July on the replacement, which will cost about \$100 million over three years of construction.

But even a ruling in the company's favor won't return wasted time and money. Friends of the Rail Bridge offered to help raise millions of dollars to fund a preservation plan. As of this year, the group reported a mere \$17,000 bank balance and no major partner. BNSF has had to cover rising maintenance costs and delay the introduction of heavier rail cars.

No matter the ruling, the case is an example of America's infrastructure madness. When any stray objector can tie up critical projects, it's a wonder the U.S. can build anything.

## Jobless Benefits for Susan Sarandon

To what extent does Big Labor control the Legislature in Sacramento? Consider that during the final days of the legislative session, Democrats are trying to jam through a bill to extend unemployment benefits to Hollywood actors and screenwriters as well as other workers who go on strike.

Democratic Senators introduced a bill last week that would allow striking workers to receive unemployment benefits after two weeks. Federal law requires that workers be "able to work, available to work, and actively seek work" to qualify for jobless benefits, which on average replace about 45% of weekly wages in California.

But striking workers have jobs. They choose not to work to increase their leverage in contract talks. Unions typically pay striking workers small sums from a strike fund that is financed with member dues.

U.S. labor law since the Taft-Hartley Act of 1947 has been aimed at creating a level playing field for unions and management to make their case to workers. But Democrats are now seeking to put their thumb on the bargaining scale by extending unemployment benefits for up to 26 weeks to workers on the picket lines. This is a bargaining-table subsidy for actors like Susan Sarandon and Paul Dano. Unions could also direct more member dues to political campaigns instead of strike funds.

New York and New Jersey are the only other states that provide jobless benefits to striking workers. The legality of this union welfare hasn't been reviewed in court. But California businesses would likely have legal standing to sue since they would have to pick up the cost.

Unemployment benefits are funded by payroll taxes that vary by employer. Those that have laid off more workers pay higher taxes. California's unemployment insurance fund is

still \$18 billion in the red from the pandemic. The state borrowed \$20 billion from the feds to pay benefits as unemployment spiked and then slowly receded following prolonged lockdowns.

California could have repaid the federal loan from its \$100 billion surplus last year, but Democrats spent the money on welfare and green subsidies. Now the state is paying interest on the federal loans from its general fund to the tune of \$300 million a year. Employers are also assessed a surtax that increases each year until the loan is repaid. The surtax will raise about \$900 million next year.

At this rate it could take decades for the state to repay its federal loan, especially since its debt continues to grow as joblessness remains elevated. According to the U.S. Labor Department, California's insured unemployment rate is nearly twice the national average. This year benefit payments will exceed state payroll tax contributions by \$1.1 billion.

As the state Legislative Analyst's Office explained last month, "historically, benefit payments have only exceeded contributions during major economic downturns—most recently, during the pandemic and Great Recession. For the first time, the fund is expected to be out of balance during a period of job growth." The shortfall could balloon if there's a recession.

Extending unemployment benefits to striking workers would add to the fund deficit and result in higher taxes on businesses. That may be part of the plan. The bill's sponsor said he hoped the bill would spur discussions in the Legislature to raise taxes on business "to make sure that the fund is solvent."

If Sacramento wants to give Hollywood producers and other employers even more incentive to use artificial intelligence to replace workers, here it is.

## LETTERS TO THE EDITOR

## California Enforces Mathematical Mediocrity

The irony of California's drive for "equity" in mathematics is that it will have the opposite effect ("California's Weapons of Math Destruction" by Faith Bottum, Cross Country, Aug. 19). Even if schools remove algebra from middle-school curricula, many students will still learn it so they can be ready for college STEM programs. Some well-educated parents will teach their children directly, while others will hire tutors or enroll their children in online programs. Only students whose parents lack the necessary knowledge or resources will miss out—and fall further behind their peers.

MITCHELL KEITER  
Beverly Hills, Calif.

In a strange way, I found Ms. Bottum's discussion of the new math policies of my home state of California encouraging. Yes, the California State Board of Education wants to dumb down math in the name of equity. Yes, it wants to restrict access to advanced math to students who might excel in it. This will inordinately disadvantage certain groups, such as Asian-American students, who excel in math. I don't expect the liberal leopards of California education to change their spots, but I was delighted to read that hundreds of professors have pointed out the absurdity and unfairness of this enforced mediocrity.

MERRITT WIDEN  
Brisbane, Calif.

I got into the Massachusetts Institute of Technology partly because I advanced two grade levels in math. Most American students should advance at least one level higher in

math and many can advance at least two levels higher during their schooling. This would require more efficient teaching early on so that most students can start algebra in seventh or eighth grade. California's proposed timing is the opposite of what the U.S. needs. As Virginia Gov. Glenn Youngkin says, "We can raise the ceiling and the floor."

JEAN CUI  
Garden City, N.Y.

It is laudable that the board has issued a 1,000 page guide for the public schools to deal with this insidious "problem" of some students being better at math than others. But the big idea of the document is that "unequal outcomes in math performance are proof of a racist society," Ms. Bottum writes. Then shouldn't California public schools ban mathematics from the curriculum? The board might also think about looking carefully at the 100-meter dash. Some students run faster than others.

T.J. SEXTON  
St. Paul, Minn.

The board is really on to something. If you think about it, math is rife with inequities. It has always bothered me that 6 has less value than 7. It isn't 6's fault that it will never equal 7. The answer seems clear to me. All numbers should be the same. I like 1 because it is so sleek—and easy to write for those who don't know how to write cursive. From now on, only use 1 for all numbers. That's what equality is all about.

JONATHAN SCHEFF  
San Diego

## Two Sides of the Debate on Debt Forgiveness

Regarding Allysia Finley's "How the Student-Loan Payment Pause Hurt Borrowers" (Life Science, Aug. 21): Student-loan interest rates have hovered around 6%, which is usurious. The pause made up some of the difference. Three years at 6% plus three years at 0% equals about 3% for six years, quite reasonable.

Why forgive loans? Dropping the rate across the board to 3% would create an entirely different dynamic for most borrowers. Don't forget that these loans enabled equal-opportunity higher education, a great investment that will pay dividends for decades.

DON COOK  
Santa Barbara, Calif.

As a retired school counselor who helped many students access higher education, I am disappointed that the system is so broken.

At every financial-aid program held at our high school, we emphasized that there are three ways to pay

for college: out of past income (savings), current income or future income (loans). This approach seems to have fallen on deaf ears as families seem to care more about the name of the college than the cost or quality of the education.

I blame colleges. They keep increasing the cost of tuition, knowing that price doesn't affect the applicant pool. The federal government keeps offering more bailout programs for graduates, even for those with masters degrees, so cost is no deterrent.

Under President Clinton, the amount that students and parents could borrow increased. The price of college rose much faster than inflation. President Obama took the lending program from banks and imbedded it in the government. Colleges again raised prices. Add in the student-loan payment pause and the crisis has worsened.

LINDA STURM  
Venice, Fla.

## The Ukraine War and America's War of 1812

Kira Rudik's perspective on the war in Ukraine is reminiscent of the War of 1812 ("Ukraine Renews Its Independence," op-ed, Aug. 24).

Thirty-six years after our Declaration of Independence, England signaled its refusal to accept the new reality by impressing American seamen into service for the Royal Navy. The young U.S. needed to defend its legitimacy as a nation by fighting back.

## Raising the Inflation Target Would Only Add Volatility

Jason Furman suggests that the Federal Reserve should set a higher inflation target than the current 2% ("The Fed Should Carefully Aim for a Higher Inflation Target," op-ed, Aug. 21).

But he never explains why hitting a higher target would be easier to hit than the current one. Many economists believe that a little inflation is a good thing because it essentially taxes idle balances that could be invested productively. But why so much higher than the current 2%?

Years ago a friend and I published a paper in a leading economics journal showing that, for a very large sample of countries, higher average inflation was associated with greater variability, thus making it more difficult for businesses and individuals to plan. A few years later we published a paper showing high average inflation rates or their variability led to much more volatile economic performance.

Surely, more volatility isn't helpful. Keeping inflation low has worked for many years, why change now?

EM. PROF. DENNIS E. LOGUE  
Dartmouth College  
Hanover, N.H.

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## Pepper ... And Salt

THE WALL STREET JOURNAL





## OPINION

## Let Ukraine Direct Its Own Counteroffensive

By Jack Keane

U.S. military personnel are voicing their frustrations over the way Ukraine is conducting its counteroffensive. This is alarming. American officers appear to have unrealistic expectations of what a single counteroffensive operation can achieve. The U.S. should be focused on helping Ukraine fight the war the way it wants to fight, not chirping from the sidelines.

American military leadership wants Ukraine to concentrate the forces the West has equipped and trained for the counteroffensive on a single sector in western Zaporizhia

**American officers chirping from the sidelines have never done what Kyiv's forces are trying to do.**

oblast, where the goal would be to break through Russian lines rapidly and seize the city of Melitopol. American officials are reportedly irritated that Ukraine has kept large numbers of forces in its east, particularly around the town of Bakhmut, and that Ukraine has been pursuing multiple offensive thrusts within Zaporizhia oblast itself rather than focusing on only one.

No one in the American military today has designed large-scale

mechanized operations against a serious and capable enemy that is employing a comprehensive defense. The last time was the Metz campaign in France in 1944, led by Gen. George S. Patton. The massed attack toward Melitopol that some are demanding is the most obvious thing Ukraine could do and would concentrate Ukraine's offensive combat power on a drive down the shortest road to the sea. This approach seems appealing and militarily sound.

The trouble is that the Russians also had the same thought. They deployed the strongest of their remaining defending forces on this axis. They dug deep, extensive trench lines and covered the earth in mines. Their best pilots flying their most advanced attack helicopters are situated in this area ready for the Ukrainian attack. They've been fortifying Melitopol and the next town to the north, Tokmak, for a year. This shortest road to the sea is also the best-prepared part of the Russian defenses in the theater.

The Ukrainians have actually made a priority of this route and have recently made important gains. But they have also been attacking further east in Zaporizhia oblast and have made gains there as well. The effort that seems to aggravate American officials most of all, however, has been the Ukrainian push to recapture the city of Bakhmut, which the Wagner Group seized at tremendous cost this spring. U.S. military experts appear to want the Ukrainians to hold on all other fronts and



President Volodymyr Zelensky visits troops in the Zaporizhia region.

focus on a single thrust toward Melitopol.

Such advice is military malpractice. Well-designed mechanized campaigns almost always advance on multiple axes rather than one. That is what American-led coalitions did against Iraq in 1991 and 2003. It's how the Americans, Germans and Soviets fought in World War II. The reason is simple: Advancing along a single axis allows the defender to concentrate fully on stopping that one advance. In this case, the Russians would almost certainly have moved forces from other parts of the theater as rapidly as they could to stop the Ukrainian drive on Melitopol.

The Russians have redeployed forces to Zaporizhia. They haven't sent more reinforcements, in part because Ukrainian attacks have pinned them all along the line. The much-condemned Ukrainian counteroffensive around Bakhmut has drawn elements of multiple Russian airborne divisions and separate brigades to hold the line there. Those units had been fighting in Luhansk and Kharkiv oblasts and would have been available to reinforce the Melitopol axis.

Now they are being ground down around Bakhmut because the Ukrainians keep pushing on a city that the Russians aren't prepared to lose. The Ukrainian attack further

east in Zaporizhia has also pinned Russian forces on that sector that could otherwise have shifted to the west. Similar smaller-scale Ukrainian attacks elsewhere along the line have had the same effect. Ukrainian pressure along the line has deprived the Russians of almost any meaningful reserve with which to contest a major Ukrainian breakthrough.

The seizure of Melitopol on its own can't win the war for Ukraine. The demands that Ukraine focus everything on that drive, combined with warnings that the West won't restock Ukraine for future operations, suggest that at least some of those criticizing the Ukrainian offensive aren't serious about helping Ukraine liberate all its territory. If that is the case, and if the Pentagon's position is that it doesn't expect Ukraine to liberate its people, it would be better to say so clearly than to make oblique and inaccurate attacks on the way Ukraine is fighting.

It is a vital national-security interest for the U.S. that Ukraine liberate its land and its people from Russian aggression. America should stop the criticism about what Ukraine is doing and focus instead on helping Ukraine achieve our common aims as rapidly as possible. That would be sound strategy.

*Mr. Keane, a retired four-star general, was the Army's vice chief of staff and is chairman of the Institute for the Study of War.*

## Donald Trump, 2024 and the Reasoning Republican Voter



LIFE SCIENCE By Allysia Finley

Say this much for Vivek Ramaswamy: He has an impressive aptitude for attracting attention. Last Monday he tweeted a video of himself shirtless and slugging tennis balls. (It wasn't clear whether his shots landed in.)

The caption: "Three hours of solid debate prep this morning." His lack of actual debate prep showed in his amateurish performance Wednesday evening.

In political-science jargon, Mr. Ramaswamy's tennis video was a heuristic, a cue voters use to infer qualities about a candidate. In this case, it may have evinced cockiness. Some Twitter users pointed out that he was fed balls almost all in roughly the same spot. Could he return a shot on the run? Not during the debate.

More than three decades ago, Samuel Popkin, a political scientist at the University of California, San Diego, made a contrarian argument that "low-information" voters develop logical conclusions about

candidates from cues. His seminal 1991 book, "The Reasoning Voter," applied the rational-choice theory of economics to voting.

He argued that voters are public investors who "combine, in an economical way, learning and information from past experiences, daily life, the media, and political campaigns" to make reasoned judgments about politicians. Voting, Mr. Popkin explained, is a "reasoned investment in collective goods, made with costly and imperfect information under conditions of uncertainty."

Eager to understand Donald Trump's appeal, I sat down with Mr. Popkin in 2016 for a Journal Weekend Interview. The scholar, who served as a campaign consultant to Jimmy Carter, Bill Clinton and Al Gore, attributed Mr. Trump's popularity to his celebrity, bombast, free media and Republican disgust with the establishment.

How does that fare seven years later? I checked in with Mr. Popkin, 81, last week to ask. He thinks Mr. Trump's support is softer than the polls suggest but that his Republican opponents haven't done a good job of attacking his chief vulnerabil-

ities, such as his record.

"There are a lot of things he didn't do that he said he would," Mr. Popkin says. "Making a substantive argument is more effective than saying he is evil and dishonest. Don't tell voters you were wrong to vote for Trump. You can't say 'I told you so.' They'll give you more credit when you don't rub it in their face."

**The rational-choice theory of economics still applies to the GOP. And Mr. Trump can be beaten.**

A recent CBS poll found that 72% of likely Republican voters are considering a vote for Mr. Trump, yet many of them are keeping their options open. Ninety-nine percent of those who are considering Mr. Trump said it is because things were better during his presidency than they are now. Ninety-five percent cited that "he fights for people like me."

These voters aren't irrational.

Inflation, unemployment and crime were low under Mr. Trump until the pandemic. Voters don't blame him for what followed even though his administration supported the Covid lockdowns and Congress's spending spree, as Ron DeSantis and Nikki Haley noted during last week's debate. Reminding voters of these facts is one way to appeal to voters' reasoned judgment.

Trump supporters are neither stupid nor politically monogamous. Many have flirted with supporting Mr. DeSantis, who in January came within a 15-point striking distance of the former president in polls. He's now trailing by around 40. Why hasn't the Florida governor gained more traction?

Mr. Popkin thinks the answer has to do with his insular campaign that has focused heavily on cultural issues and shied away from taking Mr. Trump head on. Despite occasional tough talk, voters may have inferred from cues that Mr. DeSantis lacks the courage of his convictions and won't fight for them.

Recall the moment in the debate when the candidates were asked whether they'd support Mr. Trump if he's convicted of a felony. Mr.

DeSantis didn't raise his hand until he saw others do so. This signals to voters a lack of leadership and guts. Ditto his ducking questions.

They might ask themselves: Is this guy really tough enough to be commander in chief and leader of the free world? Will he take on progressives in Congress and the administrative state as he promises? If China invades Taiwan, will he wilt?

Unlike most of the press, Mr. Popkin hasn't written off Mr. DeSantis. He also thinks Virginia Gov. Glenn Youngkin could be a formidable challenger if he enters the race. Mr. Trump isn't "a new face anymore," Mr. Popkin says. "The shock of the new has a built-in decay," he adds, quoting a 2022 essay in the New York Review of Books by the actor Simon Callow.

If voters under Mr. Popkin's theory are public investors, could Mr. Trump's high levels of support be akin to an economic bubble like Chinese real estate, bound to deflate? For that to happen, Republican challengers would have to give voters reasons to support them. Merely being youthful clones of Mr. Trump isn't one.

## Purdue Pharma's Bankruptcy Heads to the Supreme Court

By David Skeel

The Supreme Court has agreed to review the proposed reorganization of Purdue Pharma, the opioid manufacturer that filed for bankruptcy in September 2019. This signals that the justices may end a 40-year-old strategy for dealing with the litigation free-for-all that occurs when a company faces massive lawsuit liability.

The legal strategy began with Johns Manville, a major asbestos producer that filed for bankruptcy in 1982 after being sued by numerous victims. Although bankruptcy law clearly allowed Manville to restructure current claims, many potential victims wouldn't experience illness until years after the bankruptcy filing. Not only did these victims have claims against Johns Manville, but they also could file against insurers, directors and officers of the company. Ordinarily the victims would need to sue these defendants separately outside of the bankruptcy.

Johns Manville devised an ingenious solution: It created trusts for the benefit of the victims, funded by most of the value of the company, and persuaded the bankruptcy judge to issue an order requiring every

victim to come to the trusts for compensation. The order also protected the insurance companies from litigation, even though they weren't in bankruptcy, in return for their agreement to contribute to the trusts. Because the solution was novel and of uncertain legality, participants later persuaded Congress to amend bankruptcy law to authorize the strategy explicitly in asbestos bankruptcies.

**A 40-year-old strategy for dealing with mass torts may end up needing a new look from Congress.**

This approach—funneling victims into a trust and protecting the other parties victims might sue—was also used for litigation over silicone breast implants, defective airbags and sex-abuse claims against the Boy Scouts and USA Gymnastics.

Purdue Pharma followed the same playbook. These protections became controversial because the biggest beneficiary of the trust arrangement is the Sackler family, who founded

Purdue Pharma. In return for payments of \$4.325 billion (later bumped up to \$6 billion), the Sacklers would be protected against future lawsuits by the victims. The U.S. Trustee, a government watchdog, appealed the Sackler deal, which Solicitor General Elizabeth Prelogar called "a roadmap for wealthy corporations and individuals to misuse the bankruptcy system to avoid mass tort liability."

As a practical matter, the Sackler deal is compelling. Ms. Prelogar's hyperbole notwithstanding. If the deal is struck down, the victims would be forced to litigate, perhaps for years. The Sacklers have much of their assets in offshore accounts, so even if the victims won, they might end up collecting far less than \$6 billion in the end. The only winners would be the trial lawyers.

This creative use of bankruptcy isn't perfect. Many companies that deal with asbestos have been forced to file for bankruptcy. In many of these cases, claimants who haven't yet experienced asbestos illness grab most of the money, and the lawyers take their cut, with little going to

victims with serious illness. The Johns Manville approach is superior than the chaos that would otherwise occur.

But there's a problem: Except in asbestos cases, the law doesn't authorize judges to give the benefits of bankruptcy to parties that haven't filed for bankruptcy themselves. To justify the Sackler deal, the lower court pointed to language saying a reorganization plan can "include any other appropriate provision." This is mop-up language—it doesn't authorize judges to extend the protections of bankruptcy to whomever they want. Congress doesn't "hide elephants in mouseholes," as Justice Scalia famously said about another attempt to use a narrow provision to extend a law.

The government also argues that Congress couldn't provide the power to protect third parties even if it wanted to. It would be a violation of victims' right to due process, the argument goes, if their ability to sue the Sacklers were taken away in the Purdue Pharma bankruptcy. If this is correct, it would also render the asbestos provision unconstitutional.

But as long as third parties are required to disclose their assets, as they would if they had filed for bankruptcy, and as long as the court is persuaded the victims have been heard and will receive as much as they would if they sued outside of bankruptcy, due process should be satisfied.

If the justices hold that the deal is constitutional but not authorized by statute, the ball will be in lawmakers' court. Congress will need to amend bankruptcy law to allow the Johns Manville strategy in cases that don't involve asbestos.

Yet there's no reason to wait. Opioid victims have been waiting two years for the payments promised by Purdue Pharma's reorganization plan. Congress should amend bankruptcy laws now, so that victims can be paid quickly, assuming the court gives its constitutional blessing. The amendment would also assure that the remarkable experiment pioneered by Johns Manville a generation ago can continue.

*Mr. Skeel is a law professor at the University of Pennsylvania.*

## A Spa Day, and the Price Is Right

By Mike Kerrigan

Bob Barker's death at 99 hits me—and, I suspect, many of my Generation X contemporaries—hard. The entertainment value of "The Price Is Right," which he hosted masterfully from 1972 to 2007, is only part of the reason for this profound sense of loss.

The 1980s were a less communicative era than the present. The need for wellness was there, only it was more inchoate and much less frequently discussed. As the name "self-care" suggested to latchkey kids like me, one's care was largely up to oneself.

Sometimes it was the next day's middle-school pre-algebra lesson—witchcraft to me at the time—that I couldn't face. Other times it was not wanting to run

**How Bob Barker helped me through my adolescence.**

the 50-yard dash in gym class, where my time was measurable with a sun dial, that bade me to stay home. But I was never alone: Bob Barker beckoned.

A minute of poorly faked flu symptoms before a mom who herself

was getting ready for work was all that stood between me and a mental-health day highlighted by an hour with the charming Mr. Barker. Invariably recharging, this self-help was like an adolescent spa day in the Reagan era.

I pray Mr. Barker has won his heavenly Showcase Showdown, the just reward for a life well lived. But I miss my friend who saw me through adolescence and find myself recalling a beautiful line from the poetry of Elizabeth Akers Allen: Make me a child again, just for tonight.

*Mr. Kerrigan is an attorney in Charlotte, N.C.*

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WORLD NEWS



# Zimbabwe President Declared Election Winner

By GABRIELE STEINHAUSER

Emmerson Mnangagwa, who became president of Zimbabwe after ousting longtime strongman Robert Mugabe in a 2017 coup, was declared the winner of the country's presidential election, which had been widely criticized by international observers.

Mnangagwa, of the ruling ZANU-PF party, won 53% of the ballots cast in Wednesday's election and secured a second five-year term as president, Zimbabwe's electoral commission said late Saturday. Nelson Chamisa of the opposition Citizens Coalition for Change received 44%, the commission said. The remainder of the votes went to candidates from smaller parties.

Chamisa's CCC quickly challenged the results, pointing to discrepancies with its own parallel vote count. "We will not roll over and accept fictitious lies," the party said.

Observers from the European Union, the regional Southern African Development Community and the Commonwealth of Nations had all pointed to serious issues with the conduct of the election before results were declared.

These included widespread intimidation of voters and opposition parties by government agencies, including through the passing of new, repressive legislation, as well as questions over the accuracy of the voters' roll.

"Violence and intimidation resulted ultimately in a climate of fear," Fabio Massimo Castaldo, the head of the EU mission, said on Friday.

Prospective voters told The Wall Street Journal that they had been forced to attend ZANU-PF rallies and feared retribution if they voted for the opposition—allegations that the ruling party denied. The CCC said more than 100 of its campaign events had been thwarted by local authorities and that one of its supporters had been stoned to death by ZANU-PF youth on his way to an opposition rally three weeks before the election.

On election day, many polling stations, especially in opposition strongholds in the capital, Harare, and other urban centers, opened late, forcing voters to queue for hours in the glaring sun. The electoral commission extended voting to an unprecedented second day. After polls closed on Wednesday, police arrested dozens of local election observers and confiscated their phones and computers.

After ousting his longtime ally, Mugabe, in a 2017 coup, Mnangagwa became president, pledging economic recovery, more freedoms and an end to Zimbabwe's international isolation, including sanctions from the U.S. and other Western governments over widespread human-rights violations. In 2018, he narrowly won the presidency at the ballot box, a day after soldiers shot six demonstrators protesting delays in the declaration of results.

Over the past five years, the 80-year-old Mnangagwa has delivered on few of his pledges. Gross domestic product collapsed by a cumulative 11.7% in 2019 and 2020.

Annual inflation hit 827% in July 2020 and was at 77% in the latest reading for August, a drop that is largely the result of much of Zimbabwe's economy switching back to the U.S. dollar. The local currency now trades at close to 5,000 Zimbabwe dollars to the U.S. dollar.



Emmerson Mnangagwa

# Women's Rights Spark Israel Rallies

Story of teen girls scolded by bus driver comes amid religious parties' rise

By SHAYNDI RAICE

BNEI BRAK, Israel—When Maayan Elkabir boarded a public bus in the Israeli city of Ashdod, she said the driver scolded the 15-year-old for wearing a tank top and shorts on a line used by ultra-Orthodox Jews. She said he told her and her teenage friends to sit at the back of the bus and cover themselves up with blankets.

"It was completely humiliating," Maayan said in an interview.

Maayan's story made headlines in Israel, helping to galvanize a pro-democracy protest movement around women's rights and what demonstrators see as the rise of ideas like public gender segregation under Prime Minister Benjamin Netanyahu's right-wing, religious and ultranationalist governing coalition. Ultra-Orthodox Jews, known as Haredim in Israel, are an important part of Netanyahu's coalition.

In response to Maayan's case, and several similar cases in recent weeks, hundreds of Israelis on Thursday marched through the streets of Bnei Brak, calling for democracy and equality. Haredi political parties are key supporters of efforts to limit the powers of Israel's Supreme Court, a move that protesters argue would allow the government to pass legislation that would discriminate against women.

"Too many red lines have been crossed," said Ayelet Depiccio, 58, who was at the Bnei Brak protest. "Every day you hear a different story



Protesters, above and top right, marched last week on Thursday in support of women's rights in the Israeli city of Bnei Brak. A demonstrator and an ultra-Orthodox man, top left, argue during the Bnei Brak protest.

about how women cannot sit or dress the way they like."

Netanyahu, who is secular, condemned the bus incident involving Maayan. "No one will restrict who can get on public transportation, not where he or she will sit," he said.

The Nateev Express bus company said it is still investigating the incident but that the actions of the driver as described go against its policies.

The uproar underscores how underlying the judicial legislation is a chasm between religious and secular Israeli Jews over what it means to be both a Jewish and a democratic state.

By limiting the powers of

the Supreme Court, Haredi parties hope to pass a series of laws that would likely be overturned by the current courts. Chief among their goals is passing a law to enshrine an exemption from mandatory military service for the ultra-Orthodox.

Beyond that, Haredi parties aim to advance legislation that would expand the already tremendous power they hold over many aspects of public life. Haredim control the Rabbanut, a governmental body that oversees marriage and divorce and determines who is a Jew. Haredi lawmakers have recently proposed legislation to broaden the jurisdiction of

rabbinical courts to discuss civic matters rather than just divorce and marriage, where both parties in the matter consent.

The uproar over the prospect of gender segregation also comes as religious lawmakers, including a leading Haredi politician, this year have pushed for separate hours for men and women at national parks with water springs.

The coalition agreement between Haredi parties and Netanyahu laid out a plan to impose a fine of 10,000 Israeli shekels—about \$2,600—or six months jail time for immodestly dressed women who vis-

ited the Western Wall, one of Judaism's holiest sites. The Western Wall bill was ultimately shelved.

Eliyahu Hazan, 27, a Bnei Brak resident, said buses in Haredi-majority neighborhoods should be segregated. "There is no desire for women to board exposed in bras and make a scene," he said.

Malky Levi, 44, said she strongly supports separating men and women on public buses because she was once sexually harassed by a man when she was pregnant. "It took me a long time to get over that," she said.

— Anat Peled contributed to this article.

# Three Marines Killed in Aircraft Crash in Australia

By DAVID WINNING

SYDNEY—Three U.S. Marines died after their Osprey aircraft crashed on a remote island in northern Australia while supporting a training exercise, U.S. military officials said.

Five other Marines have been transported to hospital in Darwin, capital of the Northern Territory, in serious condition.

A total of 23 Marines were aboard the MV-22B Osprey when it crashed on Melville Island in the territory at around 9:30 a.m. local time on Sunday.

The U.S. military said the marines aboard the aircraft were flying in support of the Predators Run military exercise. It said the cause of the crash is being investigated.

Michael Murphy, the North-



The cause of the Osprey aircraft crash is being investigated.

ern Territory's police commissioner, said other military aircraft that were in the vicinity of Melville Island, part of the tropical Tiwi Islands, were first to respond to the crash.

U.S. Marines have been rotating into northern Australia for annual training exercises that have become more important as an assertive China stokes tensions in the Indo-

Pacific region.

Several weeks ago, militaries of the U.S., Australia and other allies practiced amphibious landings, ground maneuvers, air combat and maritime operations as part of the Talisman Sabre exercise, which officials said was the most expansive iteration ever held in northern Australia.

Washington has laid out plans to deploy more military assets in Australia. Last year, the two countries said they would place more munitions and fuel in Australia to support U.S. military activity, jointly develop airfields in northern Australia to support more rotations of U.S. aircraft, expand locations where U.S. troops can conduct exercises and further integrate their defense-industrial bases.

The MV-22 Osprey entered

service in 2007 and has been involved in a number of accidents that claimed the lives of dozens of service members and prompted changes in its design and operating procedures.

The safety record also reflects its use in some of the most challenging environments, including deserts, at sea and on missions for special operations forces.

A joint venture between Boeing and Textron has built more than 450 of the aircraft, with a tilt-rotor design that allows it to take off and land vertically like a helicopter and fly forward like an airplane.

The Marine Corps, the Navy and the Air Force grounded some of their Ospreys earlier this year for repairs following problems related to the gearbox.

—Doug Cameron contributed to this article.

## WORLD WATCH

### NORTH KOREA Citizens Allowed Home After Covid

North Korea said Sunday it will allow its citizens staying abroad to return home in line with easing pandemic situations worldwide, as the country slowly eases its draconian coronavirus restrictions.

Analysts predicted the announcement would lead to the return of North Korean students, workers and others who have had to stay abroad, mostly in China and Russia.

North Korea banned tourists and jetted out diplomats after the pandemic began.

—Associated Press

### UNITED KINGDOM British Museum Recovers Items

The head of trustees at the British Museum said Saturday that the museum has recovered some of the 2,000 items believed to have been stolen by an insider, but admitted that the 264-year-old institution doesn't have records of everything in its vast collection. The items include gold jewelry, gemstones and antiquities as much as 3,500 years old.

Museum director Hartwig Fischer announced his resignation on Friday.

—Associated Press

### MADAGASCAR Stampede Kills 12 Sports Fans

A crush of people at a stadium in Madagascar left at least 12 dead and 85 injured as sports fans attended the opening ceremony of the Indian Ocean Island Games, authorities said Saturday.

The stampede at the Mahamasina Stadium in Antananarivo happened Friday.

The opening ceremony still went ahead. President Andry Rajoelina was there and asked the crowd at Mahamasina Stadium to observe a moment of silence.

—Associated Press

### ROMANIA Fire, Explosions At Fueling Station

A fire at a fueling station in Romania caused an explosion that killed at least one person and injured at least eight others on Saturday, prompting an evacuation of the immediate area, authorities said.

A second explosion at the station injured at least 26 firefighters, emergency officials said.

The explosions happened at a fueling station in the town of Crevedia that provides liquefied petroleum gas.

—Associated Press

### GREECE Firefighters Battle New Wildfires

More than 600 firefighters, including reinforcements from several European countries, backed by water-dropping planes and helicopters, were tackling the remnants of three major wildfires in Greece on Sunday.

Firefighters were battling 105 wildfires on Sunday, with 46 of them having broken out between Saturday evening and Sunday evening.

Authorities are investigating the causes, with arson suspected in some.

—Associated Press

ARON URMELI/EPH/SHUTTERSTOCK



## Nvidia Supply Woes Ease, Risks Lurk

Questions persist regarding artificial-intelligence demand and geopolitics

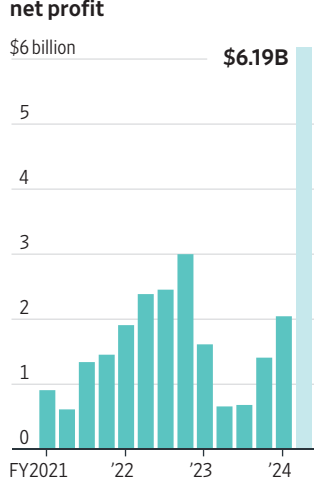
By ASA FITCH

Nvidia's earnings last week showed strong demand will likely carry the chip maker's business to new heights in the coming quarters—but concerns persist about how long the boom will last.

Nvidia eased worries of a short-lived AI rally by handily beating estimates and giving a glowing outlook, citing an expected boost in supplies. The company isn't shipping close to demand, Chief Executive Jensen Huang said, suggesting there is more upside even after a pair of record quarters.

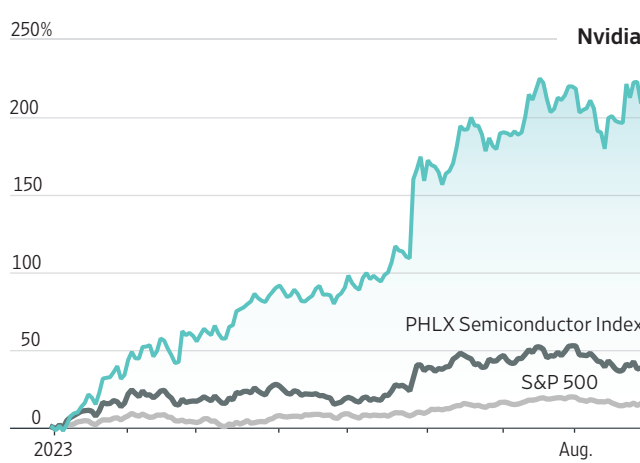
Analysts have raised questions about the supply chain and the long-term strength of the current boom, while tech

Nvidia's quarterly net profit

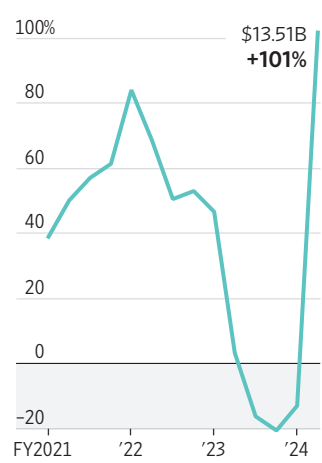


Note: Fiscal quarter ended July 30  
Sources: S&P Capital IQ, the company (profit, revenue); FactSet (performance)

Share-price and index performance, year to date



Quarterly revenue, change from a year earlier



executives said they might cut back on the purchases of AI chips if they aren't translating into new business.

"All major tech companies are going to plow money into this—not just big tech, but also

software and services companies and of course the venture [capital] world," said Dylan Patel of SemiAnalysis, an industry research firm. "The question is, how long will they continue to plow money in?"

In the near term, demand for Nvidia's products could hardly be hotter. Customers are racing to install chips that underlie artificial-intelligence systems such as OpenAI's ChatGPT. Companies are in-

creasingly convinced that AI is indispensable for their growth, and analysts estimate that Nvidia has a market share of more than 70% in AI chips.

Like its chips, Nvidia's shares Please turn to page B2

## 3M Nears Accord To Settle Earplugs Claims

By BOB TITA AND JOHN KEILMAN

3M and plaintiffs attorneys are nearing a settlement that would resolve hundreds of thousands of claims by veterans that earplugs made by 3M and a subsidiary failed to protect them from hearing loss.

Under the terms being discussed, 3M would pay about \$5.5 billion, people close to the discussions said. Negotiations are continuing, they said, and the amount hasn't been finalized yet.

The 3M board hasn't yet voted on a proposal to settle the case, the people said.

The earplug litigation has become the largest mass tort in U.S. history with more than 300,000 claims. Veterans allege that 3M and Aearo Technologies, a company 3M acquired in 2008, produced faulty earplugs that failed to protect their hearing from noise damage when issued to them by the U.S. military. 3M is contesting the cases, and has said the earplugs work correctly when used with proper training.

The settlement amount being considered is substantially less than the \$10 billion to \$15 billion that some analysts have predicted the case would cost 3M. The possible settlement was earlier reported by Bloomberg News.

3M's ability to absorb a huge earplug settlement has been diminished by a tentative settlement in June for litigation over so-called forever chemicals in municipal drinking water. That agreement between 3M and municipal water providers, which still needs court approval, could cost 3M as much as \$12.5 billion over five years.

The earplugs, which were developed by Aearo Technologies, were designed to protect users' hearing from loud noises such as explosions, but permit voices or softer noises to be heard.

3M agreed in 2018 to pay \$9.1 million to the U.S. government to resolve allegations that 3M's earplugs were defective because they could imperceptibly loosen in a wearer's ear. 3M had argued that the earplugs were effective if worn correctly.

Aearo last summer filed for bankruptcy as a separate company, accepting responsibility for all the liability claims. The move was meant to give Aearo leverage in bankruptcy court to craft a settlement with the

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## Obscure Company Is a Big Winner of AI Boom

By JIYOUNG SOHN AND YANG JIE

One of the world's hottest chip areas is dominated by a relatively little-known South Korean company: SK Hynix.

The hardware powering the current artificial-intelligence craze is most closely linked with Nvidia. But packaged alongside Nvidia's brainy H100

processors are specialized memory chips that enable the mind-boggling number of nearly instantaneous computations behind AI applications.

SK Hynix is the main provider of the latest high-bandwidth memory chip for Nvidia's top-line AI processor chip. The Icheon, South Korea-based firm has long been a major player in

the boom-and-bust world of memory chips, but it hasn't historically been viewed as an industry pioneer.

A decade ago, SK Hynix bet more actively than its rivals on high-bandwidth memory, or HBM, in which memory chips known as DRAM are stacked on top of one another. Park Myeong-jae, who heads the com-

pany's product design for advanced memory, said the field was considered uncharted territory at the time.

Now, with the rise of AI applications that rely on high-bandwidth memory, SK Hynix has emerged as one of the early hardware victors, although competition is intensifying and the gap with its local rival,

Samsung Electronics, is narrowing.

SK Hynix says its next-generation HBM chips can process the equivalent of 230 full-high-definition movies in a second.

Memory chips are no longer just supporting players in computing, said Park. "In essence, the evolution of memory tech-

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## Extending Human Life Fuels New Biotech Projects

By DOMINIQUE MOSBERGEN

Scientists obsessed with aging are sketching a road map of how our bodies change as we grow old in the hopes that it will lead to treatments that could help us live longer, healthier lives.

They call this road map the "hallmarks of aging"—a set of biological features and mechanisms linked to our inexorable march toward death. The research is drawing the attention of biotechnology companies looking to develop drugs that could extend human lifespans.

Over the past decade, the hallmarks have helped guide the development of drugs that clear away cells that have stopped dividing and gene therapies that appear to restore cells to a more youthful state.

Scientists in Europe codified nine hallmarks in a 2013 paper in the journal Cell that is widely cited in the aging field. They include shortening of telomeres (DNA segments at the ends of chromosomes); cell senescence, when cells stop dividing; and breakdowns in how cells regulate nutrients.

The hallmarks appear to manifest with age and accelerate aging when enhanced. They are interconnected in ways researchers are trying to understand. Some believe this could unlock insights into why we age.

"Aging has excited the imagination throughout the history of humankind," said Carlos Lopez-Otin, a biochemist at the University of Oviedo in Spain who co-wrote the hallmarks paper. "But it's only recently that it has been subjected to profound scientific scrutiny."

One hallmark attracting attention is changes in the epigenome, which consists of chemical compounds and proteins that can attach to DNA and regulate whether genes are turned on or off. Some researchers think an accumulation of errors in the epigenome drives aging and that removing the errors by "re-

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## Manufacturers Say 'Show Us the Money' First



THE NEW FOCUS GROUP: Companies are using crowdfunding to gauge consumers' interest before unveiling a product. An employee for GE Appliances' FirstBuild unit pieces together components for one of the company's newest projects, the Mella, a chamber the size of a large microwave oven that allows foodies to grow their own mushrooms. B3.

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Makers of dating apps add premium tiers, counting on users to spend more for love. B4



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FTC gives reprieve to Amgen on acquisition of Horizon Therapeutics. B6

## Behind Crypto's Rise, a 'Fidelity Mafia'

By VICKY GE HUANG

Some of the most prominent players in the digital-assets industry cut their teeth at the same place: Fidelity Investments.

A storied mutual-fund powerhouse, Fidelity is a cornerstone of the traditional financial system that the founders of bitcoin and other cryptocurrencies intended to disrupt. Yet the 77-year-old company became a bitcoin pioneer in 2014, mining the token when it was trading around \$400. It encouraged employees to experiment with blockchain technology and develop new products that led to the launch of its crypto business unit four years later.

Along the way, it built a deep talent pipeline for the industry.

Fidelity eventually grew wary about expanding too quickly in an unproven field, causing some of its earliest employees to depart.

That caution may ultimately prove wise. Regulators have waged a crackdown on

Price of one bitcoin



Source: CoinDesk

the crypto industry after a string of high-profile company failures last year that culminated in the collapse of exchange FTX. The Securities and Exchange Commission recently sued Binance and Coinbase Global, two of the largest crypto exchanges, for offering unregistered securities, among other things.

And despite a rebound in prices in 2023, bitcoin is hov-



Fidelity's Abby Johnson.

ing around \$26,000, well below its high from two years ago. The industry has lost tens of thousands of jobs since the beginning of last year, and skeptics question its future role in finance after the downfall of Sam Bankman-Fried and others who were once considered crypto visionaries.

Fidelity's crypto alumni group features venture-capital investors, heads of research

and startup founders. They playfully call themselves the Fidelity mafia, much like the PayPal mafia of alumni who went on to launch their own technology companies.

The group includes Alex Thorn, head of firmwide research at crypto financial-services firm Galaxy Digital; Juri Bulovic, head of mining at bitcoin miner Foundry; Matt Walsh, founding partner at crypto venture firm Castle Island Ventures, and more than a dozen others.

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## BUSINESS & FINANCE

### Biotech Firms Take On Aging

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programming” cells could lengthen life.

Shinya Yamanaka, a Japanese stem-cell researcher, shared a Nobel Prize in 2012 for discovering proteins that reprogram a cell's epigenome to its embryonic state. Scientists have used the proteins to extend the lifespan of mice and reverse blindness in mice and monkeys.

Biotechnology companies such as **Altos Labs**, which Yamanaka advises, **Retro Biosciences** and **Calico Life Sciences**, part of Google parent **Alphabet**, are probing whether cellular reprogramming could extend lifespans or improve health.

**Dorian Therapeutics** and **Senolytic Therapeutics** are developing drugs that eradicate or prevent the formation of senescent cells, another hallmark, to see if that slows aging and mitigates age-related diseases.

Other scientists are experimenting with drugs targeting a hallmark called nutrient-sensing pathways: sensors that cells use to recognize fuel sources such as sugars and proteins.

The sensors become less effective with age and their deterioration has been linked to myriad health problems including metabolic disorders and cancer.

Nutrient-sensing pathways are affected by restricted diets, which research shows can bolster longevity. Diets that significantly cut calories increase lifespans and improve health, studies have shown. One theory is that calorie restriction stresses cells and increases their resilience.



The Dog Aging Project is testing whether rapamycin can extend the lifespan of pet dogs.

Drugs including rapamycin that appear to mimic the effects of calorie restriction have increased life expectancy in mice. Rapamycin, which blocks a type of nutrient sensor, is typically taken by organ-transplant recipients to suppress the immune response.

The Dog Aging Project, based at the University of Washington, is testing whether rapamycin can extend lifespan in pet dogs. AgelessRx and researchers at Columbia University are among the groups helping to develop clinical trials to test rapamycin's antiaging potential in people.

A popular theory that emerged in the past century held that telomeres, another hallmark, could offer a silver-bullet solution to aging. Researchers who discovered the molecular nature of telomeres and telomerase, an enzyme that can maintain or extend their lengths, won a Nobel Prize in 2009.

Telomeres shorten as people age, and shorter telomeres appear to be associated with disease, studies show. But it isn't

clear that extending telomeres would lengthen life. Activating telomerase can allow cancer cells to replicate unchecked.

People who have unusually long telomeres have an increased risk of developing tumors and a blood disorder, according to a study published in May in the *New England Journal of Medicine*.

Still, some researchers and companies including **Telomere Therapeutics** and **Geron** are manipulating telomeres in efforts to treat cancers and other age-related disorders.

“It's like Dr. Jekyll and Mr. Hyde: We want to stop telomerase in cancer cells...but elongating telomeres safely could be useful for a variety of age-related conditions,” said Jerry Shay, a molecular biologist at the University of Texas Southwestern Medical Center in Dallas and co-founder of **Telos Biotech**, which is lengthening telomeres to try to improve immune function in cancer patients.

Researchers of aging said the hallmarks have helped shape a shared vision for the

field. But while they describe some of what happens during aging, they don't explain why these changes occur, said David Gems, a geneticist at University College London.

They fall short of what philosopher Thomas Kuhn defined in the 1960s as a paradigm: shared values and ideas that explain a scientific phenomenon. “You can't have a field without a paradigm,” Gems said.

The group behind the original hallmarks of aging suggested three more earlier this year based on subsequent research: chronic inflammation; imbalance in the microbiome, the community of microorganisms that live inside people; and defects in autophagy, a cell's ability to recycle damaged parts of itself.

More hallmarks will likely emerge and others will be discarded or combined as research advances, said Danish geneticist Lene Juel Rasmussen, who suggested a few others with colleagues last year.

“The hallmarks are dynamic,” Rasmussen said.

### Nvidia's Supply Woes Ease

Continued from page B1  
have been sought-after by investors, having more than tripled this year, propelling it to a valuation north of \$1 trillion. The stock finished higher last week despite falling later in the week following its earnings report Wednesday.

Analysts at UBS forecast Thursday that Nvidia's current supply agreements could take its revenue to as much as \$25 billion a quarter, not factoring in the expectation that supply will grow. The path to get to around that amount in fairly short order “seems pretty clear to us,” UBS said in a note.

That figure would be a large leap from the \$13.5 billion of revenue for its recently completed quarter and the \$16 billion it forecast for its current quarter. Three years ago, Nvidia was averaging around \$3 billion in revenue a quarter.

Some analysts see potential problems in Nvidia's supply chain. It designs chips but relies on contract manufacturers—primarily **Taiwan Semiconductor Manufacturing Co.**—to produce them. That makes

Nvidia dependent on others' ability to boost production at times of high demand. TSMC has been expanding its capacity, including with a \$2.9 billion investment unveiled in July to expand advanced manufacturing that knits together numerous chips in one package. Nvidia uses that packaging in many of its advanced AI chips, and the company reassured investors Wednesday that it secured more of it.

As its supplies grow, Nvidia might have to fend off companies ordering more than they need, which could mask weaker long-term demand. “For the time being, demand seems unbounded,” Susquehanna International Group analysts said in a note. “However, we worry about double-ordering and rationalization into 2024.”

China, which historically accounts for 20% to 25% of Nvidia's sales in its data center division, is a wild card. Intent on curtailing Chinese access to advanced AI, the Biden administration last year blocked exports of Nvidia's most advanced chips without a license. Further restrictions are under consideration, and Chief Financial Officer Colette Kress told analysts Wednesday that a ban on sales of AI chips to China would cost the U.S. industry a permanent loss of opportunities in one of the world's biggest markets.

—Dan Gallagher contributed to this article.

### Fidelity's Crypto Pipeline

Continued from page B1  
bitcoin in the Fidelity retirement plans they offer their employees, and Fidelity gives the majority of its 43 million customers the option to trade bitcoin and ether.

“It wasn't like we were learning about this crazy crypto thing with kid gloves on because we were traditional,” said Thorn. “We took a huge step into it, and that made Fidelity an early magnet for talent.”

Thorn started as an entry-level analyst in Fidelity's legal department in 2009. An early bitcoin believer, he volunteered to help with Fidelity's first crypto experiments, winning the nickname “Bitcoin Viking” from Johnson. He eventually co-managed a Fidelity-affiliated crypto venture firm.

Other former employees also say Johnson's early commitment to bitcoin drew them to Fidelity.

She gave a rare vote of confidence to bitcoin at a conference in 2017 when she urged making the token more acces-

sible for individuals and institutions, according to Walsh, who joined Fidelity out of business school in 2014.

“This was when Jamie Dimon said that bitcoin was tulip bubbles, and there was no use looking at it,” Walsh said. “Abby was taking the total opposite end of it.”

Despite her enthusiasm, Johnson, whose family owns 49% of Fidelity, faced internal and external pushback about the company's future on crypto.

In a speech last year, Johnson said she put together a proposal in 2014 to spend \$200,000 to buy bitcoin mining equipment from suppliers in China. The plan was rejected by Fidelity's finance department and security staff, she recalled.

“I kind of had to walk down to people's offices and say, ‘Look, it's \$200,000, we're doing this,’” she said.

Even years later, some Fidelity executives continued to doubt crypto would reach a mainstream customer. Kathleen Murphy, then head of Fidelity's sprawling personal-in-

vestments business, told the *Dallas Business Journal* in 2018 that the firm's crypto offerings would be limited to sophisticated investors due to regulatory concerns.

Those comments discouraged employees interested in reaching smaller investors, some former employees said. Murphy declined to comment.

Fidelity's crypto ambitions were criticized on a bigger stage last year when U.S. Labor Department officials said its plan to allow investors to put bitcoin in their 401(k) accounts would risk the retirement security of Americans. The company pushed back against that criticism,

reiterating its commitment to digital assets as key to the future of finance. Some former employees said Fidelity could have been more aggressive with its crypto efforts. They were frustrated about losing custody-business clients to Coinbase, which was founded in 2012. Others say Fidelity's traditional money-management business prevented it from diving into a high-risk venture without regulatory

clarity. Fidelity struggled to hold on to its crypto talent during the pandemic when bitcoin prices skyrocketed, eventually rising above \$60,000.

Thorn left in 2021 to build a research department at Mike Novogratz's **Galaxy Digital**, a crypto financial-services firm with businesses in trading, investment banking, asset management and mining.

Walsh resigned in 2018 to scratch his entrepreneurial itch. His crypto venture firm, **Castle Island**, is backed by Fidelity and has about \$360 million in assets under management.

Today, crypto continues to be viewed as a long-term growth opportunity at Fidelity. The company stores billions of dollars in customer crypto assets, while the head count in its crypto unit has steadily risen to more than 600 from a few dozen in 2018.

Fidelity also is in the race to launch the first exchange-traded fund that holds actual bitcoin. If approved by regulators, it would allow investors to buy and sell the token through a brokerage account as easily as shares of stock.

“We are now working with every business unit of Fidelity on what I would call long-term digital-asset strategy,” said Tom Jessop, president of Fidelity's crypto operations.

### Obscure Company Is AI Winner

Continued from page B1  
nology, including HBM, is paving the way for the future development of AI systems,” he said in a written interview.

Despite a severe downturn in the broader memory-chip world, caused in part by slumping sales of smartphones and computers, SK Hynix's stock price has risen by almost 60% since the start of the year, nearly triple the gains of **Samsung Electronics** and above the roughly 30% gains logged by **Micron Technology** and **Intel**. Nvidia's share price has more than tripled in 2023.

The stock rise comes despite a rough year for SK Hynix, which still relies overwhelmingly on its traditional memory-chip business for revenue. In the April-to-June quarter, SK Hynix reported a net loss equivalent to about \$2.2 billion, showing that its financials have yet to see much benefit from

its advances in high-bandwidth memory. By contrast, Nvidia's profit for the May-to-July quarter topped \$6 billion.

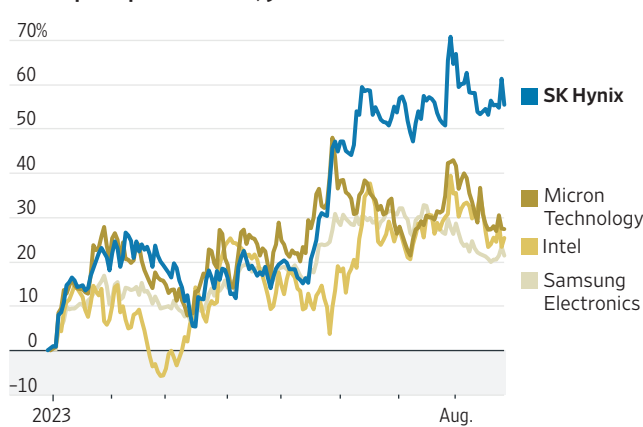
Generative AI tools such as ChatGPT guzzle vast amounts of data that must be retrieved from memory chips and sent to the processing units for computations. HBM is designed to work more closely in tandem with processors designed by the likes of Nvidia, **Advanced Micro Devices** and Intel, boosting performance.

SK Hynix, together with AMD, was the first to introduce high-bandwidth memory to the market in 2013. Its newest fourth-generation version stacks 12 traditional DRAM chips together, up from eight in the previous version, and provides the industry's top levels of data-transfer efficiency and heat dissipation.

Roughly a decade ago, Nvidia and AMD sought partners to build a new type of memory chip capable of transferring bigger volumes of data at once to their graphic-processing units with more speed, said Kim Joungh-lo, whose university research lab has worked on high-bandwidth memory with SK Hynix since 2010.

SK Hynix responded to those

Share-price performance, year to date



Source: FactSet

requests with more concerted investment. “It reflects both a commitment to a new technology and a bit of luck in having of data-transfer efficiency and heat dissipation.

Initially, the memory industry's investment in HBM was limited because of low demand and technical difficulties, said Peter Lee, a Seoul-based semiconductor analyst at Citi. But SK Hynix was more bullish on HBM's prospects during that

early period, Lee said.

Park, the SK Hynix executive, said the company's HBM task force at first didn't see AI as a leading use for the new type of memory chip. The driving mission, he said, was overcoming the “memory wall,” referring to the tech industry's perception that computing performance was limited by memory-chip speed.

“We were confident that high-bandwidth memory for high-performance computing would eventually lead to the appearance of relevant applications,” Park said. “And HBM in-

deed laid the foundation for the cryptocurrency and AI boom later.”

SK Hynix said in April it expected its HBM revenue for 2023 to grow more than 50%. The portion of worldwide DRAM revenue that comes from AI demand is projected to grow to 41% in 2025 from 16% this year, analysts at Citi said.

SK Hynix isn't assured of keeping its early lead.

**Samsung**, the world's biggest maker of memory chips overall, is preparing to introduce its next-generation model later this year and is working to expand partnerships with customers, said Harry Yoon, Samsung's vice president and head of memory marketing, in a written interview. It plans to invest aggressively and double HBM production by 2024 from this year's level.

Samsung is expected to catch up to SK Hynix in market share this year, with both taking 46% to 49% of the market, according to market-research firm TrendForce. Micron of the U.S. is projected to take roughly 5%, TrendForce said. Micron has expressed confidence that it could catch up with its two Korean competitors.

Nvidia recently touted a new

processor for accelerated computing and AI, set to arrive in the second quarter of 2024 and equipped with the “world's fastest memory.” It didn't mention the supplier's name.

Industry experts say the firm best primed to meet Nvidia's requirements is SK Hynix, which said earlier this month that it had begun providing samples of its next-generation HBM to customers.

SK Hynix hasn't said how much it has invested in high-bandwidth memory and doesn't break out sales figures for the chips, but it says the category that includes HBM now accounts for more than 20% of total DRAM sales, up from a single-digit percentage as recently as last year.

Park said SK Hynix still held an edge in development speed, quality and readiness for mass production. “Based on these advantages, the company intends to keep leading the market,” he said.

#### Watch a Video

Scan this code to watch a video on Nvidia's AI strategy.



## BUSINESS NEWS

# Crowdfunding Is the New Way To Test Market

By JOHN KEILMAN

GE Appliances is a sprawling company, with 16,000 employees and factories spread across six states. When it comes to developing niche products, though, it takes a page from garage tinkerers.

The Louisville, Ky., manufacturer uses crowdfunding, an online tool for raising money, to gauge consumer interest in potential products. If enough people are willing to pay ahead of time for something such as an indoor smoker or an induction cooktop, GE Appliances' FirstBuild unit will put it into production. If not, the concept dies.

Crowdfunding is usually associated with independent artists and startups. But GE Appliances, owned by China-based Haier Group, is among a number of big companies, including camera makers, toy producers and others, using the platforms. Though they usually charge close to full price for early access to a product, the companies' goal is more about gleaning insight into consumers' thinking, executives said.

"We are trying to get true consumer validation and basically avoid traditional market research," said GE Appliances Chief Executive Kevin Nolan. The company launched seven products via crowdfunding and killed an eighth, a cold-brew coffee machine, when it didn't meet its funding goal.

Crowdfunding took off in the 1990s as a way for filmmakers, bands and other artists to raise money needed to complete their projects. Donors acted as patrons, their contributions repaid with tickets, CDs or their names in the credits. Entrepreneurs picked up on the technique, offering customers discounted prices on a product if they paid in advance to fund its development and manufacture.

It yielded some notable

hits: A company called Oculus, for example, raised \$2.4 million on Kickstarter to make virtual-reality headsets. In 2014, two years after the campaign began, Facebook bought Oculus for \$2 billion.

Large manufacturers took notice. **Indiegogo**, which started in 2008 to help small filmmakers get financing, has hosted campaigns for corporations like Whirlpool, Sony and Lenovo. The platform's chief executive, Becky Center, said big companies see crowdfunding as an alternative way to perform research.

"This is the new focus group," she said. "Instead of paying people to come, people are paying you, and they're kind of voting with their wallets."

Camera maker **Canon** used Indiegogo last year to introduce a product called the PowerShot Pick, which tracks faces and automatically shoots photos and video. The camera was available in Europe and Asia, but the company said it wanted to use crowdfunding to gauge its viability in the U.S.

Canon offered the cameras at a discount on Indiegogo and from those sales harvested 343 reviews, which it used to adjust its packaging design and marketing messages before distributing the product to retailers.

HasLab, part of the **Hasbro** toy company, makes limited-run action figures that can cost hundreds of dollars. While fans have backed most of its concepts, including a 27-inch-tall Transformer and Jabba the Hutt's sail barge, others have come up short.

A flaming muscle car driven by the Marvel character Ghost Rider needed 9,000 backers to go into production but got just over 5,000. A replica of a lightsaber seen in the Star Wars show "Obi-Wan Kenobi" got less than a third of the 5,000 backers it sought. Hasbro, which didn't produce either, said such rejection helps it re-



One of GE Appliances' newest projects is the Mella mushroom grower. Employees in the company's Micro Factory in Louisville, Ky., work on putting together the chambers. Below, the finished product.



calibrate its offerings.

John Pyka, a Nashville, Tenn., toy collector who hosts a pop-culture podcast called "Back of the Cereal Box," is turned off by corporate crowdfunding, saying large companies such as Hasbro have no business engaging in a practice that should be reserved for small creators.

"They've already got money they can invest in marketing and advertising that campaign," he said. "They can suck the oxygen out of the room."

Hasbro said its participation in crowdfunding gives priority to fans and doesn't prevent others from conducting their own campaigns.

Ted Burdett, who has used Kickstarter to fund several projects for his small cookware company **Fourneau**, said crowdfunding is one of the few ways in which small businesses can attract attention.

"To have large companies that don't need it on the platform just doesn't feel right," said Burdett, who has taught

students at the University of Illinois at Chicago about using crowdfunding in their own entrepreneurial pursuits.

Dan Quirk of Quirk's Media, which publishes a magazine and runs conferences on marketing research and insight, said traditional surveys and focus groups still hold many advantages. He said people who participate in crowdfunding are likely to be more affluent and tech savvy than the average consumer, so their enthusiasm might not reflect the larger

market. Revealing a product before it is ready to be sold could allow competitors to rush a copycat to market, he said.

Nolan, of GE Appliances, said the public feedback crowdfunding can generate is crucial to the process. "I still think the little guy is going to out-innovate any big company any day of the week because most big companies won't do this," he said. "Most big companies want to keep things secret."

The first product GE Appliances crowdfunded has been its biggest hit. The Opal, which makes chewable ice nuggets, went into regular production following its 2016 debut and has sold hundreds of thousands of units. One of the company's newest projects is the Mella, a chamber the size of a large microwave oven that allows foodies to grow their own mushrooms.

Doug Millasich, a software developer who lives outside of Austin, joined the Mella crowdfunding effort, though he said the complexity and expense of operating the device convinced him to go back to getting his mushrooms at the farmers market. Millasich said he might support another crowdfunded product. "If somebody said to me, 'I'll sell you a jetpack for \$300,' I might be inclined," he said.

# Retailers Lose Boost They Got From Pandemic Trends

By DEAN SEAL

Shoppers have shifted their spending habits in a postpandemic world, leaving retailers in the lurch.

The stocks of major retailers have tumbled as stores including **Macy's**, **Dick's Sporting Goods** and **Foot Locker** posted slowing sales, weakening profits and tepid forecasts.

Their lackluster results offer more evidence that strained consumers feeling the weight of higher debt and increased prices are redirecting their discretionary spending away from certain products and goods.

"Consumers still have good savings, but they are being more judicious in how they spend," Macy's Chief Executive Jeff Gennette told The Wall Street Journal last Tuesday. "More of their money is going to services and experiences."

Retailers are dealing with their own intensifying challenges, particularly a rise in theft and inventory losses known as shrink, that are cutting into their top and bottom lines.

Here is what we learned about the retail landscape from recent quarterly earnings reports.

## 'Normalization'

Early in the pandemic, shoppers started pouring money into the homes where they were spending more time. Now that lockdowns are in the rearview mirror, the spending on renovation projects, workout equipment and home goods has cooled.

**Bath & Body Works** Chief Executive Gina Boswell said sales of home fragrances and hand sanitizers are dropping as part of an expected "post-pandemic normalization" that the company is factoring into its guidance for lower sales this year. The outlook also re-



Lowe's executives said do-it-yourself demand is weakening.

flects a shrewder spending attitude among shoppers, she said.

The purveyor of soaps and candles reported a smaller profit for the July quarter on lower sales.

**Peloton Interactive** was a big winner in the first wave of the pandemic as gyms locked their doors and people sought out home exercise equipment, but the struggles it faced in the years since remain, as paying subscribers continued to decline and inventory was still elevated.

Home-improvement retailer **Lowe's** reported lower revenue as comparable sales, which adjust for store openings and closings, dropped in the second quarter, albeit less dramatically than analysts had expected.

Lowe's executives said demand is weakening from the do-it-yourself customers that make up about 75% of its customer base, while sales rose among its smaller professional cohort, which includes contractors and electricians.

**Petco Health & Wellness** also is suffering from the slowdown in discretionary spending after benefiting from millions of new pets being added to homes during the pandemic. The pet-food retailer said the pullback has resulted in competitors revert-

ing to the promotional and discounting playbook they last used in 2019.

"It's really a return to pre-pandemic promotional levels based on supply now being more in balance with demand," Chief Executive Ronald Coughlin said on a call with analysts.

## 'Shrink' challenge

Several major retailers say their margins and profits are being dented by shrink, an industry euphemism for inventory lost through shoplifting, employee theft, misplacement or other administrative errors.

Dick's cut its full-year profitability guidance after second-quarter earnings declined more heavily than expected, partly because of higher inventory shrink.

"We thought we had adequately reserved for it," Dick's Chief Financial Officer Navdeep Gupta said on a call with analysts. "However, the number of incidents and the organized retail crime impact came in significantly higher than we anticipated."

Earlier this month, executives at **Target** and **Home Depot** similarly cited shrink as a growing headwind in their latest completed quarter.

Foot Locker pointed to elevated shrink as a factor in its

swing to a \$5 million loss in the second quarter from a \$94 million profit last year, alongside higher markdowns, lower sales and elevated costs.

A rise in organized retail crime is weighing on Macy's. Chief Financial Officer Adrian Mitchell said the department-store chain is relocating high-theft items away from store entrances as shrink hits record levels for the second year in a row.

"We continue to put mitigation strategies in place to address it, but these mitigation strategies will likely take time to effectuate," Mitchell said on a call with analysts.

## Out of fashion

The second-quarter reports from Macy's, Foot Locker and

Dick's also highlighted weaker demand for apparel, despite the strong performance of smaller lifestyle brands.

Macy's recently said that categories including activewear, casual and sleepwear are facing challenges, dragging the company's top line down 8% for the latest quarter. Dick's is seeing demand for its apparel offerings softening, according to CEO Lauren Hobart.

Foot Locker said apparel sales were down significantly because of consumer softness. The New York-based company aims to better compete for wallet share among its customers by amping up promotions more heavily than it initially planned, CEO Mary Dillon said.

Comparable sales at **Kohl's**

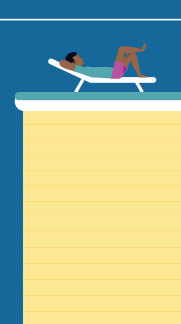
and **Gap** were down in the second quarter, with both noting softness in demand for activewear. Gap is cutting its full-year revenue guidance amid declines at Banana Republic and its namesake brand.

"We have to do things differently, with a clear focus on redefining our brands' meaning to consumers," newly appointed CEO Richard Dickson said.

Not every clothing brand is struggling. **Abercrombie & Fitch** logged a 13% jump in comparable sales in the second quarter, sending its shares higher. **Urban Outfitters** also reported higher sales, fueled by its Free People and Anthropologie brands.

—Suzanne Kapner contributed to this article.

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# Apps Put a Higher Price on Love

Tinder, Bumble and others add higher-priced tiers, betting users will pay up

By Denny Jacob

Dating apps are testing the limits of how much users will pay in their quest for love.

**Match Group**, which owns a fleet of dating apps, recently added a plan to Hinge with a monthly rate around \$50, up from its previous high of \$35, and is examining user interest in a plan for Tinder nearing \$500 a month. **Bumble** is considering a tier above its current \$60-a-month plan, while gay dating app Grindr plans to widen its subscriptions with more premium offerings.

The premium push comes as consumers are paying more for a range of services, from streaming to shopping, as companies try to squeeze more revenue out of each user and recoup rising costs.

The challenge for these companies will be to convince customers of the value of higher-priced dating options when consumers are feeling financial pressure from nearly all fronts. Many dating apps are betting that users will pay up for the chance to never have to use their apps again.

Paying more can eliminate ads from Hulu shows or delivery fees from **DoorDash** orders. With dating apps, premium memberships offer some features, such as unlimited swipes used to signal interest to other users, that can increase the odds of landing a date.

Lizz Evalen decided to pay \$50 for a three-month subscription to Tinder. The 31-year-old got a flood of interest, some dates, but no long-term match. She decided not to extend her subscription.

"I realized that in the few months of checking who liked me, I maybe only matched with five of the guys," said Evalen. Companies are betting that



Tinder owner Match Group is weighing a plan that would cost users nearly \$500 a month.

adding premium tiers with higher price tags will boost growth, even if adoption is limited to a fraction of users who are more intentional daters willing to pay more.

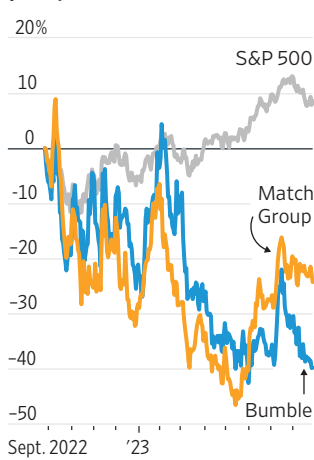
Some platforms have seen paying users dwindle. Match, the largest of the dating companies, has reported three straight quarters of declining payers. The company has made up ground, with revenue per payer rising in the past two quarters. Competitor Bumble reported that paying users rose 20% to 3.6 million in its most recent quarter from a year earlier, while total average revenue per paying user declined a little more than 1%.

Executives at Match, which will roll out a superpremium tier for Tinder users in the fall, said that converting a small pool of users to the premium tier can have a big payoff.

"If you actually take a small fraction of our payers at higher price points, you actually get a number that's in the tens of millions of dollars on an annual basis," Chief Executive Bernard Kim said this month.

Bumble CEO Whitney Wolfe Herd similarly sees premium

Share-price and index performance over the past year

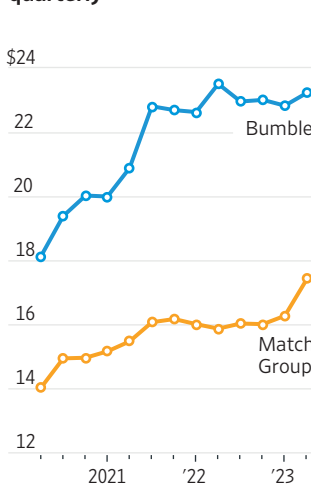


Sources: FactSet (performance); the companies (revenue)

services delivering new opportunities. "We see that there's a lot of runway to expand there," she said on a recent investor call.

The growth of premium-tier subscriptions is the latest evolution in online dating websites, which have existed in some form since the mid-1990s. The growing ubiquity of smartphones and the swipe-right concept pioneered

Revenue per paying user, quarterly



by Tinder propelled dating apps into the mainstream over the past decade.

Ainsley Hylton has used dating apps mostly because they show him other men he might be interested in. He still doesn't see the value in paying. "A lot of the time, it's over \$20 a month for it," said Hylton. "For that, I could get two streaming subscriptions."

Even if uptake is slow, there

is precedent behind the move to raise prices. Mark Brooks, CEO of **Courtland Brooks**, which helps online dating companies grow, said that other brands, such as eHarmony and Tawkiy, have for years priced their premium services above what Tinder, Hinge and Bumble charged.

The stakes are high in showing users that paying is worth it, Brooks said. Otherwise, they could defect to competing platforms. "They've got to actually really deliver on it, because they'll get crucified if they don't," said Brooks.

Elevating subscription prices further comes during a tricky time in the economy, with consumers dealing with still-inflated prices and layoffs hitting industries such as technology, finance and entertainment hard. But mass-market dating apps present a more-affordable option even when charging more compared with more exclusive offerings. The League, another app in Match's suite of offerings, has a \$1,000 weekly subscription.

While such high costs for a dating app may come as a shock to some, author and consultant Robbie Kellman Baxter wasn't surprised by Tinder's price testing.

"When it comes to what you're willing to pay a premium [for], finding a life partner is way up there on value," said Baxter, who has studied subscription businesses for more than two decades.

Nicholis Sassoon said he has paid for Tinder, Bumble and Hinge since first trying online dating in 2016. He estimates he has spent close to \$800 on dating apps during that period, while landing only a handful of dates.

"From the amount of time I've been on it, it hasn't paid off," said Sassoon. Still, the 29-year-old is sticking with them, citing convenience and difficulty meeting people in Los Angeles.



The earplugs.

## 3M Nears Accord on Earplugs

Continued from page B1

plaintiffs. 3M pledged to pay for any settlement that Aearo reached. U.S. Bankruptcy Court Judge Jeffrey Graham in Indianapolis dismissed Aearo's bankruptcy filing in June, saying that Aearo didn't qualify for bankruptcy protections as a distressed company as long it had 3M's pledge to pay for a settlement. Aearo plans to appeal the ruling.

3M Chief Executive Mike Roman said during the second quarter earnings call last month that the company was making progress on its litigation issues. It still faces lawsuits from state attorneys general and personal injury claims over forever chemicals, known broadly as PFAS. The company said last year it would stop making and using the chemicals by the end of 2025.

—Andrew Scurria contributed to this article.



CEO Mike Roman

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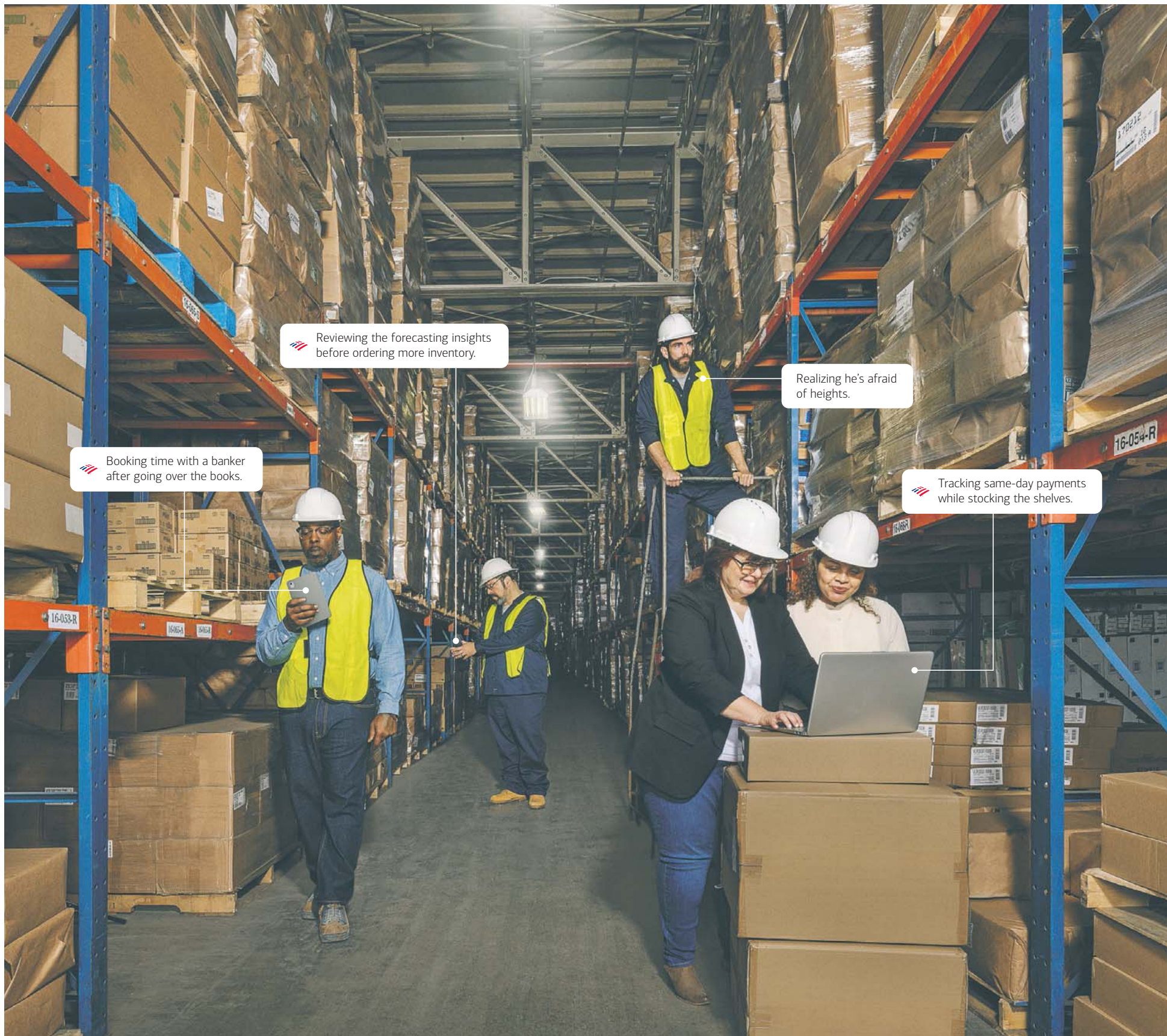
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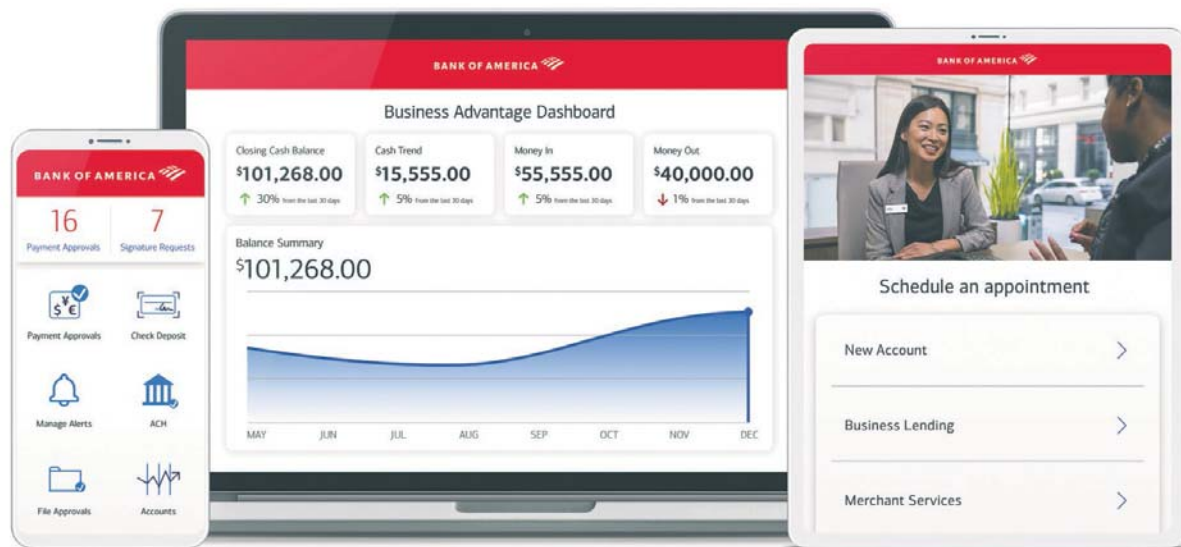
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BUSINESS & FINANCE

# FTC Gives Reprieve to Amgen's Horizon Buy

Agency suspends its challenge to the deal and charts a path toward settlement

By Dave Michaels

WASHINGTON—The Federal Trade Commission suspended its challenge of Amgen's \$27.8 billion acquisition of Horizon Therapeutics, giving the agency time to weigh a settlement that would allow the deal to close with conditions.

The FTC said in a court filing late Friday that it would pause a challenge it filed in its internal court that alleged the deal violates antitrust law. The FTC's lawyers have argued that Amgen, one of the world's largest pharmaceutical companies, could abuse its power to entrench the monopolies of Horizon's top-selling therapies for thyroid eye disease and gout.

The pause, effective until Sept. 18, allows the FTC's three commissioners to decide whether the agency should settle the case. Amgen has said its purchase of Horizon would improve the availability of Horizon's drugs for rare diseases and panned the FTC's theory opposing it as far-fetched.

Amgen said Friday that it has committed to renounce any future sales tactics that FTC officials believe would be illegal. Amgen said it wouldn't, for example, bundle Horizon's Tepezza and Krystexxa treatments with its own products, which the FTC said could give them a preferred position on insurers' lists of covered medicines.

"We would be pleased if our commitment were honored instead of going through a lengthy court process," Amgen said. "That said, we are prepared to demonstrate to the courts that there is no legal or factual reason to pro-

hibit this acquisition of Horizon and to finally bring medicines to more patients suffering from rare diseases."

A FTC spokesman declined to comment.

If the FTC proceeds to settle the case, it would be a rare instance of the agency throwing in the towel on litigation. The FTC under Chair Lina Khan has been more aggressive about probing deals and then suing to block them. Khan, a merger critic, has said she favors blocking deals outright rather than implementing conditions that allow them to pass legal muster.

But the FTC has stumbled in court several times after filing aggressive merger challenges. It recently lost a federal-court case in which it sought to block Microsoft from buying Activision Blizzard. A judge also rejected its challenge of Meta Platforms' acquisition of a virtual-reality company.

The internal, or administra-



A settlement would allow the \$27.8 billion acquisition to close with conditions. An Amgen lab.

tive, case the FTC filed against Amgen is part of a two-step legal process often used to thwart mergers. The agency needs time to prosecute the internal case, so it also seeks an injunction in federal court to block the parties from closing while the administrative

trial plays out.

The FTC and Amgen are scheduled to argue over the injunction in Chicago federal court next month. If the two sides agree to settle, the injunction hearing won't be necessary.

Amgen has argued to the

federal court that the FTC's ability to wage merger lawsuits in both administrative and federal court is unconstitutional. The FTC shares antitrust authority with the Justice Department, which can only challenge mergers in federal court.



Five Below is expected to post per-share earnings of 83 cents.

## THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday	Tuesday	Wednesday	Thursday	Friday	Monday
<b>Earnings expected</b> Estimate/Year Ago Heico 0.73/0.60	<b>Consumer Confidence</b> July, previous 117.0 August, expected 116.5	<b>EIA status report</b> Previous change in stocks in millions of barrels Crude-oil stocks down 6.1 Gasoline stocks up 1.5 Distillates up 0.9	<b>Mort. bankers indexes</b> Purch., previous down 5.0% Refinan., previous down 3.0%	<b>Personal spending</b> June, previous up 0.5% July, expected up 0.7%	<b>Earnings expected</b> Estimate/Year Ago Broadcom 10.43/9.73 Campbell Soup 0.50/0.56 Dollar General 2.48/2.98 Hormel Foods 0.41/0.40 Lululemon Athletica 2.54/2.20 VMware 1.72/1.64
<b>Earnings expected</b> Estimate/Year Ago Best Buy 1.06/1.54 Catalent 0.11/1.19 Donaldson 0.78/0.84 Hewlett Packard 0.47/0.48 HP 0.86/1.04 J.M. Smucker 2.02/1.67	<b>GDP Deflator</b> 2nd qtr. adv. est. up 2.2% 2nd qtr. sec. est. up 2.2%	<b>Gross domestic product:</b> Percentage change, annual rate 2nd qtr. adv. est. up 2.4% 2nd qtr. sec. est. up 2.4%	<b>Earnings expected</b> Estimate/Year Ago Brown-Forman 0.53/0.52 Cooper Cos. 3.34/3.19 Five Below 0.83/0.74 Pure Storage 0.28/0.32 Salesforce 1.90/1.19 Veeva Systems 1.13/1.03	<b>Chicago PMI</b> July, previous 42.8 August, expected 44.2	<b>Unemployment rate</b> July, previous 3.5% August, expected 3.5%
			<b>Initial jobless claims</b> Previous 230,000 Expected 235,000	<b>Freddie Mac mortgage survey</b> Previous weekly averages 30-year fixed 7.23% 15-year fixed 6.55%	<b>Construction spending</b> June, previous up 0.5% July, expected up 0.5%
				<b>EIA report: natural gas</b> Previous change in stocks in billions of cubic feet	<b>ISM mfg. index</b> July, previous 46.4 August, expected 46.6
				<b>Nonfarm payrolls</b> July, previous 187,000	<b>Monday</b> U.S. Stock and Bond markets closed for Labor Day holiday

\* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ◆ Adjusted for stock split  
Note: Forecasts are from Dow Jones weekly survey of economists

# Buy Side FROM WSJ

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## BUSINESS &amp; FINANCE

# Pipeline Pause Weighs On Carbon Business

By LUIS GARCIA

**Carbon TerraVault**, a Brookfield-backed joint venture, has been blocked from providing carbon-capture services to some industrial customers by a California law that temporarily bars CO<sub>2</sub> from flowing through new pipelines in the state, one example of the uncertainties that clean-energy investors face.

Infrastructure investor Brookfield and oil-and-gas producer **California Resources** set up Carbon TerraVault as a joint venture last year with a goal of capturing and storing underground five million metric tons of CO<sub>2</sub> annually by 2027.

Toronto-based Brookfield pledged \$500 million to Carbon TerraVault and owns a 49% stake in the business. Long Beach, Calif.-based California Resources owns the rest and operates the company as a subsidiary.

The venture initially intended to serve industrial operations such as refineries, ammonia factories and cement plants across California, and expected to build pipelines to transport captured emissions to storage sites, said Chris Gould, California Resources executive vice president and chief sustainability officer. He also serves as a managing director at Carbon TerraVault.

But Carbon TerraVault's plans changed after California last September enacted the law that prevents using new CO<sub>2</sub> pipelines until the establishment of federal safety standards for transporting the gas. That forced the business to shift its focus to so-called greenfield projects, where industrial customers would build new plants near its storage sites, Gould said.

"When we started [Carbon TerraVault], we were focused on emissions by existing plants. But the bill effectively put a moratorium on CO<sub>2</sub>



The Elk Hills oil field near Bakersfield, Calif.

pipeline development until federal rules and regulations were done," he said. "Recognizing this issue, we pivoted to projects that do not require transport along a pipeline." Carbon TerraVault has disclosed several CO<sub>2</sub>-management agreements with customers such as hydrogen producer **Lone Cypress Energy Services**. In December, Lone Cypress said it would build a plant in the Elk Hills oil field operated by California Resources near Bakersfield, Calif., where the joint venture expects to use depleted underground reservoirs to store collected CO<sub>2</sub> gas.

Lone Cypress said its project could produce as much as 60 metric tons a day of hydrogen from natural gas, while capturing 205,000 metric tons of CO<sub>2</sub> annually for storage. Production is expected to begin in 2025.

**Grannus**, a producer of ammonia and hydrogen, as well as biofuel makers **InEnTec** and **Verde Fuels**, have also signed up to build Elk Hills plants with CO<sub>2</sub>-capture services provided by Carbon TerraVault.

The joint venture has other projects in sight as it seeks to attract industrial businesses to Elk Hills, but that still leaves out numerous potential

customers with more distant plants that the company could only serve through pipelines, Gould said.

"It isn't going to solve the problem of the legacy emissions of existing infrastructure," he said about the joint venture's focus on greenfield projects. "Ultimately, it will make it more challenging for our business to scale."

Brookfield declined to comment.

The U.S. would need nearly 66,000 miles of CO<sub>2</sub> pipelines to help meet a national net-zero-emission target by 2050, while such conduits currently cover less than 5,500 miles, according to a recent study from Princeton University researchers.

Building such an extensive network would mean traversing nonindustrial areas and require many more connection points compared with most current systems, according to industry analysts and carbon-capture operators. That raises concerns about the adequacy of current building and operating standards to ensure safety, the analysts said. The rupture of a CO<sub>2</sub> pipeline in rural Sartoria, Miss., in February 2020, sending more than 40 people to hospitals, added to the concerns.

## Insider-Trading Spotlight

Trading by 'insiders' of a corporation, such as a company's CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here's a look at the biggest individual trades by insiders, based on data received by Refinitiv on August 25, and year-to-date stock performance of the company

**KEY: B:** beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

## Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No of shrs in trans (000s)	Price range (\$)	\$ Value (000s)	Close (\$)	Ytd (%)
Aug. 17-21	Energy Transfer	ET	K. Warren	OD	3,000	12.93-13.00	38,893	13.16	10.9
Aug. 17-18	Asana	ASAN	D. Moskovitz	CEO	690	19.79-20.35	13,788	21.60	56.9
Aug. 22-23			D. Moskovitz	CEO	160	21.50-22.15	3,478		
Aug. 15	Fox	FOXA	L. Murdoch	CEO	141	33.84	4,784	32.43	6.8
Aug. 18	Mercury Systems	MRCY	W. Ballhaus	CEO	40	37.57	1,500	39.32	-12.1
Aug. 18			R. Krone	DI	15	38.50	578		
Aug. 18			H. Lance	DI	9	37.83	350		
Aug. 21	B. Riley Financial	RILY	B. Riley	CEO	25	47.31	1,183	45.14	32.0
Aug. 7	MIRA Pharmaceuticals	MIRA	G. Cappy	BI	119	7.00	833	6.38	n.a.
Aug. 18	AerSale	ASLE	N. Finazzo	CEO	66	12.56-12.70	830	13.62	-16.0
Aug. 18-21	Spectrum Brands Holdings	SPB	D. Maura	CEO	10	79.19-79.22	792	81.55	33.9
Aug. 23	Cassava Sciences	SAVA	S. Robertson	D	30	17.45	524	18.26	-38.2
Aug. 23	Fortrea Holdings	FTRE	T. Pike	CEO	20	25.23	505	27.47	n.a.
Aug. 22-23	PENN Entertainment	PENN	D. Handler	D	20	22.65-22.81	453	23.50	-20.9
Aug. 16-17	Expensify	EXFY	S. McLaughlin	BI	100	4.49-4.50	449	4.49	-49.2
Aug. 16-18	SeaChange International	SEAC	K. Singer	BI	72	4.86-4.92	352	4.88	-48.2
Aug. 17	Beauty Health	SKIN	B. Miller	D	60	5.51	349	6.18	-32.1
Aug. 17-18	Safeguard Scientifics	SFE	T. Satterfield	B	294 <sup>2</sup>	1.17-1.19	347	1.20	-61.3

## Sellers

Aug. 22	Wendy's	WEN	P. May	DOI	2,906	20.30	58,983	20.18	-10.8
Aug. 22			N. Peltz	DOI	2,906	20.30	58,983		
Aug. 22			M. Peltz	DOI	2,906	20.30	58,983		
Aug. 15	Holley	HLLY	D. Lobel	DOI	5,500	6.30	34,650	5.81	174.1
Aug. 22-23	Datadog	DDOG	A. Agarwal	P	224	92.95-95.76	21,091	92.60	26.0
Aug. 17			A. Agarwal	P	124	90.09-90.52	11,179		
Aug. 18	Airbnb	ABNB	J. Gebbia	DOI	167	125.30	20,883	125.79	47.1
Aug. 15-16	Ares Management	ARES	D. Kaplan	ODI	200	97.51-100.78	19,670	99.97	46.1
Aug. 15			M. Arougheti	CEO	150	97.82-100.56	14,755		
Aug. 18-21	Paylocity Holding	PCTY	S. Sarowitz	DO	91	190.34-193.97	17,486	198.05	2.0
Aug. 21	Celsius Holdings	CELH	J. Fieldly	CEO	90	174.35	15,691	181.99	74.9
Aug. 23			N. Castaldo	DI	55	181.58	9,987		
Aug. 22			T. David	O	55	176.17-179.00	9,795		
Aug. 18-22	CVR Energy	CVI	C. Icahn	BI	349	34.50-35.15	13,800	32.93	5.1
Aug. 21	Broadridge Financial Solutions	BR	R. Daly	OD	72	178.29	12,846	183.69	36.9
Aug. 21-22	Murphy USA	MUSA	R. Clyde	CEO	41	310.65-314.40	12,666	319.65	14.3
Aug. 16-17	Endeavor Group Holdings	EDR	M. Shapiro	P	469	24.29-24.66	11,478	23.67	5.0
Aug. 22	HubSpot	HUBS	D. Shah	CT	20	500.81-510.19	10,114	512.75	77.3

\* Half the transactions were indirect \*\* Two day transaction

p - Pink Sheets

## Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	774,477	7,365,537	Finance	6,121,306	68,126,088
Capital Goods	3,330,443	24,284,384	Health care	3,750,275	77,526,448
Consumer durables	1,095,144	41,771,081	Public Utilities	36,282	4,448,727
Consumer non-durables	2,098,359	53,709,542	Technology	3,137,292	209,113,460
Consumer services	6,935,172	217,096,376	Transportation	954,713	3,654,856
Energy	823,899	32,740,821			

Sources: Refinitiv, Dow Jones Market Data

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## CLASS ACTION

## SUMMARY NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

If you held or traded Sterling LIBOR-Based Derivatives during the period from January 1, 2005 through December 31, 2010, your rights may be affected by a pending settlement and you may be entitled to a portion of the settlement.

A proposed settlement totaling \$5,000,000.00 has been reached with Defendant Deutsche Bank AG ("Deutsche Bank") in a pending class action ("Action"). Deutsche Bank denies any liability, fault, or wrongdoing in connection with the allegations in the Action.

The U.S. District Court for the Southern District of New York ("Court") authorized this notice and appointed **Lowey Dannenberg, P.C. and Lovell Stewart Halebian Jacobson LLP** as Class Counsel to represent the Settlement Class.

## Who is a member of the Settlement Class?

Subject to certain exceptions, the proposed Settlement Class includes all Persons or entities that transacted in Sterling LIBOR-Based Derivatives at any time from **January 1, 2005 through December 31, 2010** ("Class Period").

A more detailed description of the case and this Settlement may be found by visiting [www.SterlingLiborSettlement.com](http://www.SterlingLiborSettlement.com).

## What is this lawsuit about and what does the Settlement provide?

Representative Plaintiffs allege that Defendants, including Deutsche Bank, unlawfully and intentionally manipulated Sterling LIBOR and the prices of Sterling LIBOR-Based Derivatives in violation of federal and common law during the Class Period.

To settle these claims, Deutsche Bank agreed to pay \$5,000,000.00 ("Settlement Fund"). If the Settlement is approved, the Settlement Fund, plus interest earned from the date it was established, less any taxes, the reasonable costs of Class Notice and administration, any Court-awarded attorneys' fees, litigation expenses and costs, and any other costs or fees approved by the Court, will be divided among all Settlement Class Members who file timely and valid Proof of Claim and Release forms ("Claim Forms").

## Will I get a payment and what are my rights?

If you are a Settlement Class Member and do not opt out, you may be eligible for a payment under the Settlement if you file a Claim Form.

If you are a Settlement Class Member and do not opt out, you will release certain legal rights against Deutsche Bank and Released Parties as explained in the detailed Notice and Settlement Agreement, which are available at [www.SterlingLiborSettlement.com](http://www.SterlingLiborSettlement.com). If you do not want to participate in the proposed Settlement, you must opt out by **October 19, 2023**. If you want to object to the proposed Settlement, the Distribution Plan, and/or Plaintiffs' Counsel's request for attorneys' fees, and payment of litigation costs and expenses, you must do so by **October 19, 2023**.

Claim Forms must be postmarked by **January 16, 2024**, or submitted online at [www.SterlingLiborSettlement.com](http://www.SterlingLiborSettlement.com) on or before 11:59 p.m. E.T. on **January 16, 2024**.

## When is the Fairness Hearing?

The Court will hold the Fairness Hearing via telephone using the dial-in 888-363-4749 and access code 2682448 on **November 16, 2023, at 11:00 a.m. E.T.** to consider whether to finally approve the proposed Settlement, Distribution Plan, and the application for an award of attorneys' fees and payment of litigation costs and expenses. You or your lawyer may ask to speak at the hearing, but you do not have to. Any changes to the time and place of the Fairness Hearing, or other deadlines, will be posted to [www.SterlingLiborSettlement.com](http://www.SterlingLiborSettlement.com) as soon as is practicable.

To obtain more information about the Settlement, visit [www.SterlingLiborSettlement.com](http://www.SterlingLiborSettlement.com) or call toll-free 1-877-495-0835 (from outside the U.S. or Canada, call 1-414-921-2346).

\*\*\*\* Please do not call the Court or the Clerk of the Court for information about the Settlement. \*\*\*\*

## NOTICE OF SALE

## NOTICE OF UCC PUBLIC AUCTION SALE

PLEASE TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York (the "UCC"), 56TH AND PARK (NY) OWNER, LLC, a Delaware limited liability company (the "Secured Party"), will offer for sale at public auction (the "Public Sale") all of the right, title and interest of 432 FIFE MEZZ LLC, a Delaware limited liability company (the "Pledgor") in and to the following assets: (i) one hundred percent (100%) of the limited liability company interests in 432 FIFE LLC, a Delaware limited liability company (such entity, the "Pledged Entity"; such interests, the "Equity Interests"); and (ii) certain related rights and property relating thereto (collectively, (i) and (ii) are the "Collateral"). Secured Party's understanding is that the principal asset of the Pledgor Entity is that certain fee interest in the premises located at 432 Park Avenue, Unit 78A, New York, New York 10022 (the "Property").

The Collateral secures indebtedness owing by Pledgor to Secured Party in a principal amount of \$14,293,940.31 plus unpaid interest on principal, default interest through the date of the Public Sale, attorneys' fees, reasonable fees and costs, including the costs to sell the Collateral, subject to open charges and all additional costs, fees and disbursements permitted by law (the "Debt"). In connection with a loan (the "Loan") that Secured Party, as lender, made to Pledgor, Secured Party was granted a first priority lien on the Collateral by Pledgor pursuant to that certain Pledge and Security Agreement, dated as of May 9, 2022 (the "Pledge Agreement"). The Secured Party is offering the Collateral for sale in connection with the foreclosure on the pledge of such interests based upon the occurrence of one or more Events of Default under the Pledge Agreement and in accordance with its rights as holder of the security under Article 9 of the UCC by virtue of that certain UCC-1 Filing Statement filed with the Delaware Department of State on May 12, 2022, as U.C.C. Filing No. 2022 4018164.

The Public Sale will be conducted by Mannion Auctions, LLC ("Mannion"), under the direction of Matthew D. Mannion, licensed auctioneer (DCA #1434494) (the "Auctioneer") or such other auctioneer licensed in the State of New York as is selected by Secured Party in its sole and absolute discretion. The Public Sale will be held at 2:30 p.m. (EDT) on **Wednesday, October 11, 2023**, at the offices of Alston & Bird LLP, 90 Park Avenue, 15th Floor, New York, New York 10016 and will also be broadcast for virtual bidding via Zoom videoconference as follows:

Meeting link: <https://bit.ly/432ParkUCC> (URL is case sensitive); Meeting ID: 864 7417 7472; Passcode: 571617

One Tap: +16469313860, 8647417472<sup>2</sup>, \*571617 US (New York)  
Mobile: +16465588656, 8647417472<sup>2</sup>, \*571617 US (New York)  
Dial by your location: +1 646 931 3860 US

Based upon information provided by Pledgor, Pledged Entity, and certain other persons or entities affiliated therewith, it is the understanding of Secured Party (but without any representation or warranty by Secured Party as to the accuracy or completeness of the following matters) that: (i) Pledgor owns one hundred percent (100%) of the Equity Interests; (ii) Pledged Entity has good, marketable and insurable fee simple title in and to the Property; and (iii) the Property is encumbered by the sale or distribution thereof and will not resell the Collateral unless pursuant to a valid registration under applicable federal and/or state securities laws, or a valid exemption from the registration thereunder. The Collateral has not been registered under such securities laws and cannot be sold by the winning bidder without registration or application of a valid exemption.

Secured Party reserves the right to credit bid, to set a minimum reserve price, reject all bids (including, without limitation, any bid that it deems to have been made by a bidder that is unable to satisfy the requirements imposed by the Secured Party upon prospective bidders in connection with the Public Sale or to whom in Secured Party's sole judgment a sale may not lawfully be made), terminate or adjourn the Public Sale to another time, without further notice, and to sell the Collateral at a subsequent public or private sale and to impose any other commercially reasonable conditions upon the sale of the Collateral as Secured Party may deem proper. Secured Party further reserves the right to determine the qualifications of any bidder, including a prospective bidder's ability to close the transaction on the terms and conditions referenced herein and to modify the terms of sale.

**Bidder Qualification Deadline:** Interested parties who intend to bid on the Collateral must contact either OFFICIAL PARTNERS, Attention Tal Alexander, 331 Park Avenue South, 10th Floor, New York, NY 10010, +1 (917) 334-5501, tal@officialpartners.com ("Official") or North Point Real Estate Group, Attention Greg Corbin, +1 (212) 419-8101, greg@northpoint.com ("North Point") to receive the Terms and Conditions of Sale and bidding instructions by **October 9, 2023 at 4:00 p.m.** Upon execution of a standard confidentiality and non-disclosure agreement, additional documentation and information will be available. Interested parties who do not contact either Official or North Point and by the above deadline and qualify prior to the Public Sale will not be permitted to enter a bid.

The Collateral is being offered as a single lot, "AS IS, WHERE IS", with no express or implied warranties, representations or conditions of any kind made by or for the Secured Party, without any recourse whatsoever to the Secured Party or any other person acting for or on behalf of the Secured Party and each bidder must make its own inquiry regarding the Collateral. The winning bidder shall be responsible for the payment of transfer taxes, stamp duties and similar taxes incurred in connection with the purchase of the Collateral.

Prospective bidders will be required to represent in writing to Secured Party that they will adhere to the terms of sale and are purchasing the Collateral for their own account, not acquiring it with a view toward the sale or distribution thereof and will not resell the Collateral unless pursuant to a valid registration under applicable federal and/or state securities laws, or a valid exemption from the registration thereunder. The Collateral has not been registered under such securities laws and cannot be sold by the winning bidder without registration or application of a valid exemption.

Secured Party reserves the right to credit bid, to set a minimum reserve price, reject all bids (including, without limitation, any bid that it deems to have been made by a bidder that is unable to satisfy the requirements imposed by the Secured Party upon prospective bidders in connection with the Public Sale or to whom in Secured Party's sole judgment a sale may not lawfully be made), terminate or adjourn the Public Sale to another time, without further notice, and to sell the Collateral at a subsequent public or private sale and to impose any other commercially reasonable conditions upon the sale of the Collateral as Secured Party may deem proper. Secured Party further reserves the right to determine the qualifications of any bidder, including a prospective bidder's ability to close the transaction on the terms and conditions referenced herein and to modify the terms of sale.

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## PUBLIC NOTICES

This notice is not an offer to purchase or a solicitation of an offer to sell Equity Shares



Larsen & Toubro Limited, L&T House, Ballard Estate, Mumbai - 400 001  
Tel: +91 22 6752 5656, Fax: +91 22 6752 5858  
Website: [www.Larsentoubro.com](http://www.Larsentoubro.com) | Email: [IGRC@Larsentoubro.com](mailto:IGRC@Larsentoubro.com)  
CIN: L99999MH1946PL0004768  
Company Secretary: Mr. Sivaram Nair A

## Larsen & Toubro Limited - Buyback of Equity Shares

The Board of Directors of Larsen & Toubro Limited (the "Company") at its meeting held on July 25, 2023, approved the proposal to buy-back up to 3,33,33,333 (Three Crore Thirty Three Lakh Thirty Three Thousand Three Hundred and Thirty Three) fully paid-up equity shares of face value of Rs. 2 each ("Equity Shares") of the Company at a price of Rs. 3,000 per Equity Share on a proportionate basis through a tender offer from the shareholders of the Company (the "Buy-back"). Further, the shareholders of the Company approved the Buyback, by way of a special resolution, through a postal ballot by remote e-voting on August 25, 2023. A copy of the public announcement ("Public Announcement") has been published by the Company pursuant to Regulation 7(i) of SEBI (Buyback of Securities) Regulations, 2018 ("Buyback Regulations"), containing the disclosures as specified in Schedule II of the Buyback Regulations. The Public Announcement is available on the website of the Company at [www.Larsentoubro.com](http://www.Larsentoubro.com), the Securities and Exchange Board of India at [www.sebi.gov.in](http://www.sebi.gov.in) and on the websites of the Indian stock exchanges where the shares of the Company are listed at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), the website of the Registrar to the Buyback at [www.karisma.kfintech.com](http://www.karisma.kfintech.com) and the managers to the Buyback at [www.jmf.com](http://www.jmf.com) and [www.axiscapital.co.in](http://www.axiscapital.co.in).

Place: Mumbai  
Date: August 26, 2023

for LARSEN & TOUBRO LIMITED  
Mr. Sivaram Nair A, Company Secretary

## NOTICE OF SALE

## NOTICE OF UCC ARTICLE 9 PUBLIC SALE OF ASSETS OF SOKOOS ROBOTS DEMIL USA, INC. AND SOKOOS DEMIL HOLDINGS USA, LLC

Secured Party Sale at Public Auction  
September 20, 2023, at 11:00 a.m. (prevailing Eastern Time)

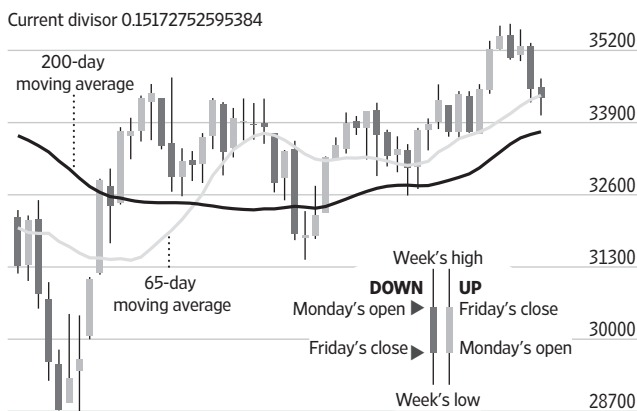
**NOTICE IS HEREBY GIVEN** that, pursuant to Section 9-611 of the Uniform Commercial Code of the State of New York (the "UCC"), the authorized agent ("Secured Party Agent") for secured parties ("Secured Parties") to Sokos Robots Demil USA, Inc., a California corporation, and Sokos Demil Holdings USA, LLC, a Delaware limited liability company (collectively, the "Debtors") intends to offer to sell, or cause to be sold, at a public sale on September 20, 2023, at 11



# MARKETS DIGEST

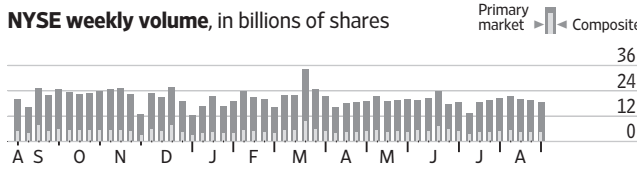
## Dow Jones Industrial Average

**34346.90** ▼153.76, or 0.45% last week  
 Trailing P/E ratio 25.01 19.00  
 P/E estimate \* 18.73 17.79  
 Dividend yield 2.06 2.18  
 All-time high 36799.65, 01/04/22



Current divisor 0.15172752595384

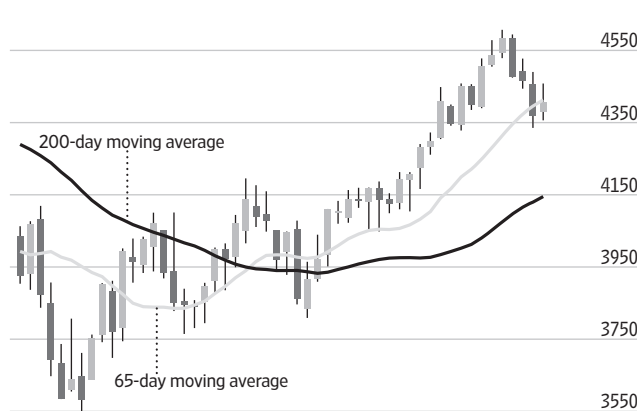
Bars measure the point change from Monday's open



\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; †Based on Nasdaq-100 Index

## S&P 500 Index

**4405.71** ▲36.00, or 0.82% last week  
 Trailing P/E ratio \* 20.18 22.84  
 P/E estimate \* 19.99 18.37  
 Dividend yield \* 1.55 1.54  
 All-time high 4796.56, 01/03/22



Bars measure the point change from Monday's open

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## New to the Market

### Public Offerings of Stock

### IPOs in the U.S. Market

None expected this week

### Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date	Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision	
Aug. 29	Aug. 29, '22	Hempacco	<b>HPCO</b>	6.00	6.0	<b>-94.8</b>	365 days

Sources: Dealogic; Dow Jones Market Data

### IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	Friday's close (\$)	Offer price	1st-day close	% Chg From	Company	SYMBOL	Friday's close (\$)	Offer price	1st-day close	% Chg From
99 Acquisition Group	<b>NNAGU</b>	10.21	<b>2.1</b>	0.5		ParaZero Technologies	<b>PRZO</b>	1.14	<b>-71.5</b>	-68.3	
Sacks Parente Golf	<b>SPGC</b>	2.76	<b>-31.0</b>	-90.5		Surf Air Mobility	<b>SRFM</b>	1.34	<b>-93.3</b>	-57.5	
SRM Entertainment	<b>SRM</b>	1.65	<b>-67.1</b>	-67.0		Haymaker Acquisition 4	<b>HYAC</b>	10.25	<b>2.5</b>	1.3	
LQR House	<b>LQR</b>	1.02	<b>-79.6</b>	-73.8		Janover	<b>JNVR</b>	1.26	<b>-68.5</b>	-67.0	
NeurAxis	<b>NRXS</b>	5.16	<b>-14.0</b>	-14.0		Keen Vision Acquisition	<b>KVACU</b>	10.15	<b>1.5</b>	0.7	
Fitell	<b>FTEL</b>	2.55	<b>-49.0</b>	-49.5		Turnstone Biologics	<b>TSBX</b>	10.91	<b>-9.1</b>	-0.8	
MIRA Pharmaceuticals	<b>MIRA</b>	6.38	<b>-8.9</b>	-14.0		ODDITY Tech	<b>ODD</b>	41.62	<b>18.9</b>	-12.4	
Cheetah Net Supply Chain Service	<b>CTNT</b>	2.33	<b>-41.8</b>	-66.2		Apogee Therapeutics	<b>APGE</b>	23.75	<b>39.7</b>	11.9	
Hanryu Holdings	<b>HRYU</b>	3.90	<b>-61.0</b>	-50.0		Nabors Energy Transition II	<b>NETDU</b>	10.22	<b>2.2</b>	1.0	
SharkNinja	<b>SN</b>	34.97	<b>16.4</b>	-17.3		Sagimet Biosciences	<b>SGMT</b>	12.04	<b>-24.8</b>	-24.5	

Sources: Dow Jones Market Data; FactSet

## Major U.S. Stock-Market Indexes

	High	Low	Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
<b>Dow Jones</b>											
Industrial Average	34694.68	34029.22	<b>34346.90</b>	-153.76	<b>-0.45</b>	28725.51	●	35630.68	<b>6.4</b>	3.6	<b>6.7</b>
Transportation Avg	15816.69	15504.27	<b>15614.94</b>	-85.66	<b>-0.55</b>	11999.40	●	16695.32	<b>8.6</b>	16.6	<b>12.0</b>
Utility Average	890.11	865.88	<b>882.70</b>	4.68	<b>0.53</b>	838.99	●	1061.77	<b>-14.0</b>	-8.8	<b>2.9</b>
Total Stock Market	44441.52	43425.69	<b>43919.77</b>	312.96	<b>0.72</b>	36056.21	●	45969.67	<b>7.3</b>	14.0	<b>7.8</b>
Barron's 400	986.74	967.09	<b>978.07</b>	-5.55	<b>-0.56</b>	825.73	●	1036.97	<b>2.5</b>	6.3	<b>10.0</b>

	High	Low	Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
<b>Nasdaq Stock Market</b>											
Nasdaq Composite	13834.69	13325.59	<b>13590.65</b>	299.87	<b>2.26</b>	10213.29	●	14358.02	<b>11.9</b>	29.8	<b>5.8</b>
Nasdaq-100	15279.24	14715.36	<b>14941.83</b>	246.99	<b>1.68</b>	10679.34	●	15841.35	<b>18.5</b>	36.6	<b>8.4</b>

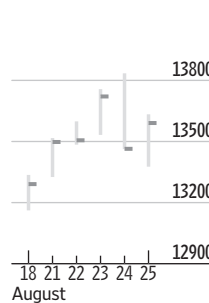
	High	Low	Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
<b>S&amp;P</b>											
500 Index	4458.30	4356.29	<b>4405.71</b>	36.00	<b>0.82</b>	3577.03	●	4588.96	<b>8.6</b>	14.7	<b>8.6</b>
MidCap 400	2610.88	2554.12	<b>2579.20</b>	0.34	<b>0.01</b>	2203.53	●	2728.44	<b>3.2</b>	6.1	<b>10.0</b>
SmallCap 600	1213.01	1183.82	<b>1196.69</b>	-4.69	<b>-0.39</b>	1064.45	●	1315.82	<b>-2.4</b>	3.4	<b>9.5</b>

	High	Low	Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg	YTD	3-yr. ann.
<b>Other Indexes</b>											
Russell 2000	1873.48	1831.95	<b>1853.63</b>	-5.79	<b>-0.31</b>	1655.88	●	2003.18	<b>-2.4</b>	5.2	<b>5.7</b>
NYSE Composite	15894.31	15632.57	<b>15766.91</b>	16.74	<b>0.11</b>	13472.18	●	16427.29	<b>3.9</b>	3.8	<b>6.6</b>
Value Line	563.47	552.61	<b>557.76</b>	-1.84	<b>-0.33</b>	491.56	●	606.49	<b>-1.2</b>	4.0	<b>5.2</b>
NYSE Arca Biotech	5273.85	5157.62	<b>5247.22</b>	89.61	<b>1.74</b>	4390.11	●	5644.5	<b>11.0</b>	-0.6	<b>-0.9</b>
NYSE Arca Pharma	918.12	903.67	<b>911.67</b>	-1.55	<b>-0.17</b>	737.84	●	916.5	<b>17.0</b>	5.0	<b>10.7</b>
KBW Bank	82.17	79.00	<b>80.04</b>	-1.74	<b>-2.13</b>	71.96	●	115.1	<b>-25.6</b>	-20.6	<b>1.1</b>
PHLX <sup>®</sup> Gold/Silver	116.94	110.60	<b>114.40</b>	2.72	<b>2.44</b>	91.40	●	144.37	<b>10.2</b>	-5.3	<b>-7.8</b>
PHLX <sup>®</sup> Oil Service	92.98	88.64	<b>89.84</b>	-2.232	<b>-2.42</b>	56.08	●	94.51	<b>24.9</b>	7.1	<b>34.7</b>
PHLX <sup>®</sup> Semiconductor	3663.95	3425.79	<b>3495.65</b>	32.91	<b>0.95</b>	2162.32	●	3861.63	<b>24.9</b>	38.1	<b>15.9</b>
Cboe Volatility	18.11	15.45	<b>15.68</b>	-1.62	<b>-9.36</b>	12.91	●	33.63	<b>-38.7</b>	-27.6	<b>-10.7</b>

†Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

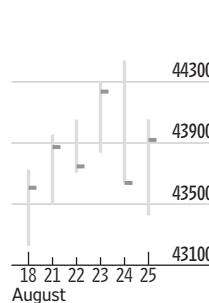
### Nasdaq Composite

▲ **299.87**, or **2.26%** last week



### DJ US TSM

▲ **312.96**, or **0.72%** last week



## International Stock Indexes

Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range Close	High	YTD % chg
<b>World</b>	<b>MSCI ACWI</b>	670.23	<b>0.52</b>	550.37	●	707.11	10.7
	<b>MSCI ACWI ex-USA</b>	293.09	<b>0.02</b>	244.35	●	314.69	4.2
	<b>MSCI World</b>	2911.99	<b>0.50</b>	2367.69	●	3064.30	11.9
	<b>MSCI Emerging Markets</b>	971.04	<b>0.68</b>	842.76	●	1052.46	1.5
<b>Americas</b>	<b>MSCI AC Americas</b>	1666.25	<b>0.77</b>	1363.36	●	1742.64	14.3
Canada	<b>S&amp;P/TSX Comp</b>	19835.75	<b>0.09</b>	18206.28	●	20767.38	2.3
Latin Amer.	<b>MSCIEM Latin America</b>	2382.29	<b>1.23</b>	2027.22	●	2570.27	11.9
Brazil	<b>BOVESPA</b>	115837.20	<b>0.37</b>	97926.34	●	122560.38	5.6
Chile	<b>S&amp;P IPSA</b>	3410.66	<b>-1.45</b>	3021.53	●	3629.67	7.5
Mexico	<b>S&amp;P/BMV IPC</b>	53191.53	<b>-0.01</b>	44626.80	●	55534.68	9.8
<b>EMEA</b>	<b>STOXX Europe 600</b>	451.39	<b>0.66</b>	382.89	●	471.74	6.2
	<b>STOXX Europe 50</b>	3921.96	<b>0.94</b>	3310.09	●	4079.60	7.4
Eurozone	<b>Euro STOXX</b>	447.86	<b>0.58</b>	359.45	●	470.38	9.2
	<b>Euro STOXX 50</b>	4236.25	<b>0.55</b>	3279.04	●	4471.31	11.7
Austria	<b>ATX</b>	3098.91	<b>-0.59</b>	2647.43	●	3557.01	-0.9
Belgium	<b>Bel-20</b>	3622.42	<b>1.21</b>	3313.82	●	3954.16	-1.2
France	<b>CAC 40</b>	7229.60	<b>0.91</b>	5676.87	●	7577.00	11.7
Germany	<b>DAX</b>	15631.82	<b>0.37</b>	11975.55	●	16469.75	12.3
Greece	<b>Athex Composite</b>	1299.76	<b>2.88</b>	788.46	●	1345.95	39.8
Israel	<b>Tel Aviv</b>	1839.56	<b>0.60</b>	1707.57	●	2067.23	2.4
Italy	<b>FTSE MIB</b>	28208.45	<b>1.61</b>	20353	●	29645	19.0
Netherlands	<b>AEX</b>	733.37	<b>-0.23</b>	630.58	●	794.27	6.4
Norway	<b>Oslo Bors All-Share</b>	1418.47	<b>-0.35</b>	1247.07	●	1473.35	6.1
Portugal	<b>PSI 20</b>	6121.19	<b>2.28</b>	5190.28	●	6273.94	4.9
South Africa	<b>FTSE/JSE All-Share</b>	73836.01	<b>1.03</b>	63263.94	●	80791.36	1.1
Spain	<b>IBEX 35</b>	9338.90	<b>0.77</b>	7261.1	●	9694.7	13.5
Sweden	<b>OMX Stockholm</b>	795.34	<b>-0.38</b>	690.07	●	886.59	1.7
Switzerland	<b>Swiss Market</b>	10956.90	<b>1.09</b>	10072.62	●	11595.25	2.1
U.K.	<b>FTSE 100</b>	7338.58	<b>1.05</b>	6826.15	●	8014.31	-1.5

Region/Country	Index	Close	Latest Week % chg	Low	52-Week Range Close	High	YTD % chg
<b>Asia-Pacific</b>	<b>MSCI AC Asia Pacific</b>	158.06	<b>0.22</b>	134.3	●	170.8	1.5
Australia	<b>S&amp;P/ASX 200</b>	7115.20	<b>-0.46</b>	6456.9	●	7558.1	1.1
China	<b>Shanghai Composite</b>	3064.07	<b>-2.17</b>	2893.48	●	3395.00	-0.8
Hong Kong	<b>Hang Seng</b>	17956.38	<b>0.03</b>	14687.02	●	22688.90	-9.2
India	<b>S&amp;P BSE Sensex</b>	64886.51	<b>-0.10</b>	56409.96	●	67571.90	6.6
Japan	<b>NIKKEI 225</b>	31624.28	<b>0.55</b>	25716.86	●	33753.33	21.2
Malaysia	<b>FTSE Bursa Malaysia KLCI</b>	1444.41	<b>-0.12</b>	1373.36	●	1512.05	-3.4
Singapore	<b>Straits Times</b>	3189.88	<b>0.50</b>	2969.95	●	3394.21	-1.9
South Korea	<b>KOSPI</b>	2519.14	<b>0.58</b>	2155.49	●	2667.07	12.6
Taiwan	<b>TAIEX</b>	16481.58	<b>0.61</b>	12666.12	●	17334.98	16.6

Source: FactSet; Dow Jones Market Data

## Commodities and Currencies

	Close	Last Week Net chg	% Chg	YTD % chg
<b>DJ Commodity</b>	<b>997.73</b>	9.94	<b>1.01</b>	-4.86
Refinitiv/CC CRB Index	<b>278.20</b>	2.72	<b>0.99</b>	0.16
Crude oil, \$ per barrel	<b>79.83</b>	-0.83	<b>-1.03</b>	-0.54
Natural gas, \$/MMBtu	<b>2.540</b>	-0.011	<b>-0.43</b>	-43.24
Gold, \$ per troy oz.	<b>1911.10</b>	25.00	<b>1.33</b>	5.02
<b>U.S. Dollar Index</b>	<b>104.19</b>	0.81	<b>0.79</b>	0.64
<b>WSJ Dollar Index</b>	<b>98.66</b>	0.46	<b>0.47</b>	



# CLOSED-END FUNDS

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. **NA** signifies that the information is not available or not applicable. **NS** signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Source: Lipper

Friday, August 25, 2023

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>General Equity Funds</b>				
Adams Diversified Eq Inc	ADX	19.97 17.06	-14.6	10.9
Central Secs	CET	43.34 35.65	-17.7	2.9
CohenStrsSelPrefInc	COF	10.55 10.73	-1.7	-0.6
EVTxAdvDivInc	EVT	23.53 22.03	-6.4	-4.7
GabelliDivIncrTr	GDV	24.27 20.73	-14.6	1.4
Gabelli Equity Tr	GAB	5.17 5.39	+4.3	-3.5
GeneralAmer	GAM	50.12 40.77	-18.7	-10.0
JHancockTaxAdvEq	HTD	20.49 19.02	-7.2	-16.5
Liberty All-Star Equity	USA	6.25 6.21	-0.6	3.9
Liberty All-Star Growth	NA	5.20	NA	-3.0
Royce Micro-Cap Tr	RMG	9.97 8.79	-11.8	3.5
Royce Value Trust	RVT	15.52 13.56	-12.6	-5.6
Source Capital	SOR	4.22 38.60	-8.6	8.4
Sprott Focus Trust	FUND	8.53 7.93	-7.0	4.2
SRH Total Return	STEW	16.46 13.35	-18.9	11.4
Tri-Continental	TY	31.16 27.28	-12.5	2.8

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>Specialized Equity Funds</b>				
abrdn Gbl Prem Prop	AWP	6.01 3.93	-2.0	-11.3
abrdn Gbl Infra Inc	ASGI	20.20 17.26	-14.6	-1.4
Adams Natural Resources	PEO	26.19 22.64	-13.6	9.2
ASA Gold & Prec Met Ltd	ASX	17.11 14.59	-14.7	1.6
BR Enh C&I	CI	18.92 18.39	-2.8	8.2
BlackRock Energy & Res	BGR	14.30 12.66	-11.5	13.0
BlackRock Eq Enh Div	BDJ	8.59 7.86	-8.5	-5.4
BlackRock Enh Gbl Div	BOE	11.32 9.83	-13.2	7.0
BlackRock ESG Cap All T	ECAT	17.41 15.20	-12.7	13.6
BlackRock Hlth Sci Tem	BMEZ	17.95 15.48	-13.8	5.2
BlackRock Hlth Sciences	BME	42.00 39.72	-5.4	-1.1
BlackRock InnoVt Growth	BIG	8.90 7.45	-16.3	-1.6
BlackRock Res & Comm	BXC	9.51 9.21	-12.4	1.7
BlackRock Sci&Tech Tem	BSTZ	20.33 17.13	-15.7	-5.6
BlackRock Sci&Tech Res	BST	32.39 32.12	-0.8	-0.3
BlackRock Uti Inf & Pwr	BUI	21.83 21.34	-2.2	-3.8
CLEARBRIDGE ENMG MDSOP	EMO	35.71 30.90	-13.5	12.1
ClearBridge MLP&MidstRet	RET	37.28 32.26	-12.5	11.2
ClearBridge R&I	CEM	42.09 36.13	-14.1	9.6
Chn StrInfr	UTF	21.85 21.24	-2.4	-13.6
Cohen&SteersQuallnc	RQI	11.89 11.22	-5.6	-15.8
CohenStrsEstEst and I	RLTY	15.20 13.47	-12.0	-16.8
Cohen&Steers Total Ret	RTY	11.32 11.10	-0.9	-10.4
CohenStrsREIT PrefInc	RTP	26.33 28.73	-3.1	-9.1
Columbia Sel Perm Div	STK	19.82 19.25	+9.1	11.5
DNP Select Income	DNP	8.01 10.07	+25.7	-3.7
DuffPhf Uti&Infra Inc Fd	DPG	10.79 9.53	-11.7	-28.3
EtnVncEqInclnc	EOI	16.28 16.26	-0.1	13.0
EtnVncEqInclnc	EOS	18.36 17.50	-4.7	5.2
EVRS&MnDvsEqIncl	ETJ	8.38 7.93	-5.4	-7.7
EtnVncTxMgdBtWrtInc	ETB	13.97 13.21	-5.4	-10.1
EtnVncTxMgdBtWrtInc	ETC	12.20 11.43	-3.3	-8.4
EvTxMnDvsEqIncl	ETY	12.20 11.86	-2.8	0.6
EtnVncTxMgdGlbBd	ETW	8.75 7.85	-10.3	-5.2
EVTrxMnGblDvEqIncl	EXG	8.48 7.65	-9.8	-3.5
Ecofin S&S Impact Term	TEAF	NA 12.53	NA	-8.5
First Trust Energy Inc F	FEN	15.49 13.73	-11.4	-1.9
First Tr Enhanced Eq	FFA	17.99 17.42	-3.2	8.5
First Tr Energy Infra	FIF	17.20 15.21	-11.6	4.2
First Tr MLP&Energy	FJF	9.28 7.98	-14.0	0.6
Gabelli Healthcare	GRX	11.49 9.51	-17.2	-9.8
Gab Utility	GUT	3.03 6.79	124.1	3.7
GAMCO Gld Gold&NatRes	GGN	3.83 3.75	-2.1	17.6
J Han Fin Optpy	NTS	25.94 26.50	+2.2	-21.1
Neuberger Brmn Enrgy Gld	NML	NA 6.98	NA	9.4
Neuberger Nxt Gen Conn	NBXG	12.68 10.35	-18.4	7.7
Nuv Dow 30 Dyn Overwite	DXE	15.79 14.20	-10.1	-3.1
NuvCorEqAlpha	JAC	13.07 12.70	-2.8	-0.6
Nuveen Nasdaq 100 Dyn Ov	QOQQ	24.01 23.05	-4.0	6.6
Nuv Real Est	JRS	8.18 7.17	-12.3	-19.4
Nuveen RI Asst Inc & Gro	JRI	12.86 11.10	-13.7	-10.4
NuvSP500DymOvFd	SPXX	16.15 15.21	-5.8	2.8
NuvSP500BuyIncrFd	BXMX	13.78 12.99	-5.7	3.0
Reaves Utility Income	UTG	26.15 26.26	+0.4	-11.9
Tortoise Enrgy Infra Crp	TYG	NA 29.94	NA	-6.6
Tortoise Midstream Enrgy	NTG	NA 35.54	NA	0.9

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>Income &amp; Preferred Stock Funds</b>				
Calamos Strat Tot	CSQ	14.41 14.28	-0.9	4.6
CohenStrsLtdDurPrefInc	LPF	19.64 17.81	-9.3	-4.7
CohenStrsSelPrefInc	PSF	19.28 17.83	-7.5	-8.2
CohenStrsTaxAdvPrefInc	PTA	19.16 17.82	-7.0	-0.8
FirstTrIntDurPrefInc	FPF	17.48 15.16	-13.3	-14.9
JHanPrefInc	HPI	14.85 14.97	+0.8	-7.3
JHPrefIncl	HPF	14.72 14.98	+1.8	-8.3
HnckJPfIncl III	HPS	NA 13.75	NA	-5.8
JHan Prm	SDT	11.41 10.16	-11.0	-26.1
LMP CapInc	PCD	9.64 12.97	-11.5	5.7
Nuveen Multi-Asset Inc	NMAI	13.51 11.57	-14.4	-0.2
Nuveen Pref & Inc Opp	JPC	7.36 6.45	-12.4	-11.7
Nuveen Fd	JPS	7.33 6.33	-13.6	-8.1
Nuveen Pref & Inc Tem	JPI	18.17 17.32	-4.7	-7.5
Nuveen Var Rate P&I	NPPD	18.48 16.04	-13.2	-13.8
TCW Strat Income	TSI	5.02 4.66	-7.2	1.9

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>Convertible Sec's Funds</b>				
AdvtmCnvrblKlnCfD	AVK	12.12 11.15	-8.0	-6.1
Calamos Conv HI	CHY	10.39 10.44	+5.3	-2.5
Calmos Conv Op	CHI	9.84 10.42	+5.9	-2.3
Elsworth G&I Fund L	ECF	9.41 8.63	-8.3	-3.8
V Conv & Inc	NCV	3.72 3.29	-11.6	-6.1
V Conv & Inc II	NCZ	3.31 2.94	-11.2	-2.0
V Div & Conv	ACV	23.47 20.86	-7.2	-2.5
V Eqty & Conv Inc	NIE	20.04 16.66	-10.4	10.6

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>World Equity Funds</b>				
abrdn Emg Mkts Eq Inc	AEF	5.91 5.05	-14.6	0.3
abrdn Gbl Dyn Div	AGD	10.57 9.17	-13.2	4.4
abrdn Tot Dyn Div	AOD	9.14 7.89	-13.7	5.4
Allspring Gbl Div Optpy	EOD	4.78 4.33	-9.4	-3.0
BlackRock Cap Alloc Tem	BCAT	16.87 14.84	-12.0	9.0
Calamos GloDynInc	CHW	6.54 5.89	-9.9	-9.9
Ev TxAdvGlbDivInc	ETG	17.98 16.15	-10.2	0.0
EtnVncTxAdvOpp	EFO	24.42 22.33	-8.6	0.0
FirstTrDynEuroEqInc	FDEU	13.30 12.85	-3.4	27.5
Gabelli Multimedia	GGT	NA 5.90	NA	0.4
GDL Fund	GDL	10.18 7.84	-23.0	0.0
Highland Global Alot	HGLB	NA 8.01	NA	-13.2
India Fund	IFN	16.23 16.56	+2.0	12.7
Japan Smaller Cap	JOF	8.64 7.29	-15.6	14.9
LazardGlbTotRetIncl	LGI	16.91 14.67	-13.2	-2.9
Mexico	MXF	NA 17.59	NA	30.2
MLI/Howard High Inc E	HIE	NA 9.92	NA	3.0
MS China Shv Fd	CAF	NA 12.45	NA	-15.8
MS India	IFH	NA 22.15	NA	5.8
MS CBRE Gln Mgr Tem	MEGI	14.94 12.99	-13.1	-12.5
New Germany	GF	NA 8.68	NA	12.0
Templeton Drag	TDF	10.32 8.80	-14.7	-21.4
Templeton Em Mkt	EMF	13.55 11.80	-12.9	7.7

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>U.S. Mortgage Bond Funds</b>				
BlckRk Income	BKT	12.25 11.63	-5.1	8.7
Invesco 2023 Tgt Tem	IHIT	7.72 7.27	-5.8	5.6

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>Investment Grade Bond Funds</b>				
Angel Oak PS Inc Trm	FINS	13.66 11.66	-14.6	9.7
BlRck Core Bond	BHK	10.52 10.24	-2.7	8.2
BR Credit Alloc Inc	BTZ	11.01 9.88	-10.3	9.8
Invesco Bond	VBF	15.72 14.62	-7.0	5.2
J Han Income	JHS	NA 10.71	NA	4.0
MFS Intmdt	MIN	2.88 2.69	-6.6	0.0
Western Asset Infl-Lk Inc	WIA	9.43 8.15	-13.6	14.2
Western Asset Infl-Lk O&I	WIW	10.11 8.65	-14.4	12.3
Western Asset IG Def Opp Tr	IGI	16.84 16.09	-4.5	4.8

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>Loan Participation Funds</b>				
Apollo Senior Floating	AFT	NA 13.20	NA	10.0
BR Debt Strategy	DSU	10.19 10.09	-6.1	9.0
BR F/R/Inc Str	FRA	13.75 12.53	-9.0	8.8
BlackRock Floating Rt Inc	BGT	12.81 11.86	-7.4	8.9
BS SFR 2027 T	BSL	14.53 13.06	-10.1	8.8
BS St Cr 2027 Tm	BGB	12.48 11.03	-11.6	9.0
EtnVncFrtRelnc	EFT	13.15 12.10	-8.0	9.3
EV SenFirtRt	EFF	12.94 12.12	-6.3	9.0
FT/Sr Fltg Rte Inc 2	FCT	11.11 10.10	-9.1	9.2
Highland Optpy & Income	HFO	NA 8.19	NA	10.8
InvDYCRoppAX	VTA	11.10	NA	NA
InvSnrIncr Tr	VVR	4.12 3.94	-4.4	13.9
Nuveen Credit Strat Inc	JOC	5.82 5.11	-12.2	10.9
NuvFloatRateIncrFd	JFR	9.13 8.13	-11.0	10.7

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>High Yield Bond Funds</b>				
abrdn Inc Credit Str	ACP	6.82 6.93	+1.6	17.4
AllianceBernHilInc	AWF	10.62 9.88	-7.0	8.9
Allspring Income Optpy	EAD	7.08 6.27	-11.4	9.7
Barrings Gbl SDHYBd	BGH	14.55 13.15	-9.6	9.4

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>Prem 12 Mo</b>				
BR Corporate HY	HYT	9.29 9.01	-3.0	10.3
BlackRock Ltd Dur Inc	BLT	13.61 13.06	-4.0	8.8
BNY Mellon HI Yield Str	DFH	2.55 2.19	-14.1	8.6
Brookfield Real Asst Inc	RA	NA 16.83	NA	14.0
CrSuisHighYld	DHY	2.10 1.88	-10.5	9.8
DoubleLine Inc Sol	DSL	11.81 12.02	+1.8	12.5
DoubleLine Yld Opp	DLY	15.25 14.36	-5.8	9.7
First Tr HI Inc Lng/Shrt	FSD	12.41 11.03	-11.1	10.9
First Trust HY Opp 2027	FTHY	15.40 13.70	-11.0	10.9
Franklin Univ	FT	7.33 6.73	-8.2	7.2
KKR Income Opportunities	KIO	NA 11.96	NA	11.2
New Amer HI Inc	PYB	7.83 6.71	-14.3	7.9
Nuveen Global High Inc	JGH	12.71 11.41	-10.2	11.0
PGIM Global High Yield	GDY	12.40 11.22	-9.5	11.0
PGIM High Yield Bond	ISH	13.50 12.12	-10.2	10.1
PGIM Sh Dur HI Yld Opp	SDHY	17.05 15.19	-10.9	8.4
PioneerHilnc Pmt	PHT	7.67 6.67	-13.0	10.2
WstAstHF II	HIX	4.67 4.75	+1.7	11.9
Western Asset HI Inc Opp	HIO	4.19 3.76	-10.3	9.3
Western Asset HI Yld D O	HYI	12.31 11.54	-6.3	9.5

Fund (SYM)	NAV	Close/Disc	52 wk Prem Ret	Ttl Ret
<b>Other Domestic Taxable Bond Funds</b>				
Allspring Multi-Sector	ERC	9.82 9.53	-3.0	8.9
Ares Dynamic Crd Alloc	ARDC	NA 12.60		



# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

## Fed Is Likely Done Despite Powell's Words

The central bank's chief left its options open, in part to prevent investors from asking when rate cuts will arrive

Federal Reserve Chairman Jerome Powell isn't taking a victory lap on the central bank's efforts to cool the economy. He may still be done with rate increases.

Speaking at the Kansas City Fed's annual symposium in Jackson Hole, Wyo., Powell on Friday provided a classic on-the-one-hand, on-the-other-hand speech.

On the one hand, the unwinding of pandemic distortions and the Fed's rate increases "are now working together to bring down inflation."

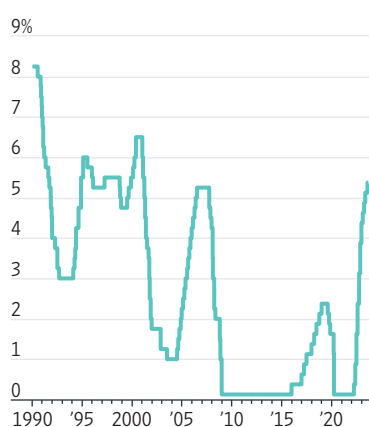
On the other hand, "the process still has a long way to go." Bank lending standards "have tightened" and "growth in industrial production has slowed," but gross domestic product growth "has come in above expectations" and "the housing sector is showing signs of picking back up."

There were some hawkish-sounding aspects to what Powell said, including a pledge to raise rates further if necessary, and that appeared to spook investors at first, with stocks falling in early trading Friday.

But the substance of what Powell said indicated that if another increase comes, it probably won't occur when policy makers meet next month. And his assessment that the central bank is now "in a position to proceed carefully," suggests the Fed isn't in a rush to do much of anything. Stocks ended the day higher.

One reason Powell put the situation the way he did is that even if policy makers suspect they won't need to raise rates again—especially in consideration of how the full effects of increases already made have yet to hit the

The Federal Reserve's target rate



Note: Values from Dec. 16, 2008, onwards reflect midpoint of target range  
Source: Federal Reserve

economy—they don't want to take away the option to raise rates fur-

ther if inflation heads off in the wrong direction again.

Another is that as soon as the Fed says it probably won't raise rates again, investors' focus will quickly shift to when the Fed might start cutting.

If they do that, long-term interest rates in particular might start sliding, providing a fresh boost to the economy that policy makers aren't quite ready for.

The more time the Fed leaves open the possibility of raising rates without actually raising them, the less likely it is that investors will start envisioning a rapid series of rate cuts.

And yet the Fed's next move might, in fact, be to cut rates. Its current target on overnight rates, at a range of 5.25% to 5.5%, is the highest in over two decades. And even if one allows for the possibil-

ity that the just-right level of rates for when the economy is in balance might now be higher than it was before the pandemic, it is probably still significantly lower than the Fed's target is right now. Or, as Powell put it, "We see the current stance of policy as restrictive, putting downward pressure on economic activity, hiring, and inflation."

When might the cut come? It won't be necessary for inflation to come all the way down to the Fed's 2% target, but instead, as Powell reiterated Friday, for it to be more clearly headed in that direction.

Even in the best of circumstances, that might not happen this year, but by the start of 2024 Powell could be ready to finally take that victory lap.

—Justin Lahart

## Digital Payments Can't Serve Up A Free Lunch

For investors, the massive market for digital payments used to offer a rare dreamland of growth companies with a low-risk, oligopolistic business. That Cathie Wood is doubling down on it should tell them this was too good to be true.

Wood's **ARK Investment Management** is known for betting on rapidly growing technology moonshots and for upping the stakes whenever other investors jump ship. Last week, ARK announced it had nearly doubled its holdings in Dutch payments-processing company **Adyen**, the shares of which are now worth half what they were on Wednesday of the previous week, before it reported disappointing half-year revenue and earnings.

This underscores how payments tech, once seen as a sure shot amid a digital revolution in consumer spending, could become a cutthroat market requiring backers comfortable with risk.

A recent Deutsche Bank survey of consumers in the U.S., the U.K., France, Germany and Italy showed cash in decline as a payment method between 2019 and 2022. Adoption of digital wallets jumped, with Apple Pay as the main beneficiary. Much of this is down to e-commerce, but also a realization that pieces of paper and plastic

are far less convenient than a smartphone when buying in-store.

There has been a postpandemic surge in so-called omnichannel customers, who buy from the same brand both physically and virtually, and expect a unified, seamless experience whether they use a card or some e-payment system. They tend to be big, spur-of-the-moment spenders who can renege on a purchase if it doesn't go through, so it is crucial that the technology doesn't glitch out.

Many publicly traded European paytech firms have risen to the task. On top of breakneck revenue growth, investors love their merchants' priority for quality over price, as well the high level of firm specialization. **Edenred** and **Eurorowag** focus on processing employee food vouchers and freight and road payments, respectively. Meanwhile, **Nexi** and **Worldline** are skewed toward on-premise spending.

Adyen, as a crown jewel of European tech, epitomized investors' enamourment with the sector by having the biggest moat: Rather than starting in the midmarket, it first targeted mammoth e-commerce customers such as **eBay** and **Netflix**, as well as omnichannel merchants such as **Gap** and **McDonald's**. It charges a premium



Shares of Dutch payments-processing company Adyen recently halved after disappointing half-year results.

for a top product that, unlike others, it has built fully in-house with a single code base. It has organically become the second-largest merchant acquirer in Europe, data by Citi analyst Pavan Daswani shows.

Yet suddenly, the company is reporting stiffer competition in the U.S., its second-biggest market, and being undercut on price. This puts a crack in the thesis that a best-in-class paytech platform will necessarily have low churn and almost insurmountable barriers to entry thanks to network and data advantages.

"I don't believe competitors are providing a materially inferior product," said Daswani, who has long had a "sell" recommendation on Adyen stock. "Payments are so

integral to the operation of a merchant that they wouldn't go to a subpar acquirer."

On top of **PayPal's** Braintree, Irish-American firm Stripe—which for now remains privately owned—has also emerged as a powerful rival, striking partnerships with **Airbnb**, **Zara**, **WhatsApp** and **OpenAI**. In May, it joined forces with **Microsoft** and **PayPal** to launch a new payments app for North American small businesses. And there are challengers such as Britain's **Checkout.com**.

To be sure, some of Adyen's supposed woes are exaggerated. Hiring costs have come under fire, but executives were right to poach talent at a time when tech giants were shedding it. Also, despite a slowdown in the usage of websites

and apps of its particularly cyclical customers as the European economy weakened, the secular digitization trend remains in place.

"We continue to expand our market share, even in the U.S.," said Adyen co-Chief Executive Ingo Uytendaele, who tried to reassure investors during a recent roadshow.

Indeed, the problem with paytech isn't the business model but a market with unrealistic expectations, based on the premise of big margins that wouldn't be competed away. Adyen tops the charts: Even after the selloff, it still trades at 32 times forward earnings.

Investors got a useful reminder that no company generates riskless money. Not even those that process it.

—Jon Sindreu

### MARKETS

## Japan Firms Make Big Promises to Lift Shares

By Dave Sebastian

Japanese companies, long viewed as moribund, are trying to change how investors think about them by promising better growth, governance and returns.

Snack maker **Calbee** said earlier this year that it had been hampered by a "conservative, inward-facing corporate culture and weak ability to effect change." The 74-year-old company has pledged to revamp its business and boost its profits.

**Ajinomoto**, the maker of monosodium glutamate and seasonings, plans to triple its earnings per share by 2031. That will involve a "dramatic expansion through business-model transformation," the company said. **Nissan Motor** recently increased its annual dividend and plans to raise it again. The automaker's chief executive said the company has an urgent need to improve its price-to-book ratio, which is well below 1.

The pronouncements came after a push from Japan's largest stock exchange—heeding longtime pleas from investors—for companies to pay closer attention to their market valuations and increase shareholder returns.

Japan's economy is growing, and its stock market has surged this year. But many of its biggest companies aren't efficient in how they use capital.

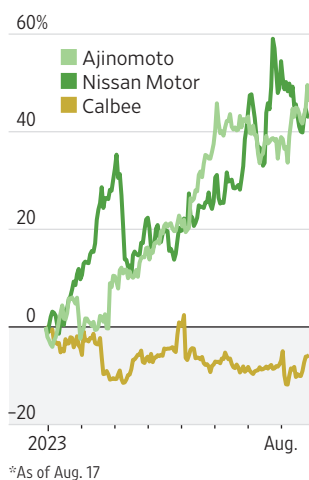
In March, the Tokyo Stock Exchange told most of its listed companies to develop, lay out and implement improvement plans. It noted that around half the companies on its main board were trading below their book value, meaning they were worth less in the market than the sum of their net assets.

In the U.S., price-to-book ratios aren't typically used as a valuation metric for most stocks. Investors generally prefer to look at companies' price/earnings ratios, except in the case of certain sectors, such as banks and other financial institutions.

The large number of Japanese stocks that trade below book value indicates "issues in terms of profitability and growth potential," according to the exchange.

The benchmark Nikkei 225 is up 21% this year after hitting its highest level in more than three decades earlier in the summer. The market has benefited from a vote of confidence from American billionaire Warren Buffett, a weak yen and large

Stock performance this year

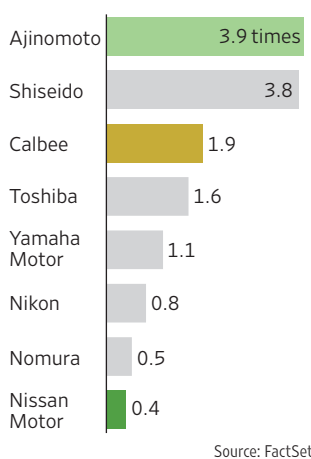


inflows from global investors that had previously neglected the world's third-largest economy. Some investors that have turned bearish on China have also moved money into Japan.

In May, camera maker **Nikon's** finance chief, Muneaki Tokunari, said improving the ratio is "an important management challenge," and the company needs to quickly find new sources of growth. Its price-to-book ratio topped 1 in June thanks to the market rally, but has since dropped back to 0.84.

"Even though it has fallen below 1.00 again, we believe that quickly launching growth

Price/book ratio of selected Japanese companies\*



Source: FactSet

businesses and securing steady earnings at the moment are important issues for the time being," a Nikon spokesperson told The Wall Street Journal.

**Honda Motor** said in May it expected to spend up to \$1.4 billion repurchasing shares in the current fiscal year, which ends in March 2024. Its stock has soared nearly 50% this year. **Toyota Motor** said in May it would buy up to \$1 billion in shares.

Companies in Japan are more likely to step up when their rivals are taking action, investors say. "People start to

follow suit based on external peer pressure," said Shuntaro Takeuchi, a Japan portfolio manager at Matthews Asia.

There has been a lot of focus on the price-to-book ratio, but it isn't the only metric companies can use to prove themselves, said Hiromi Yamaji, chief executive of Tokyo Stock Exchange operator **Japan Exchange Group**.

"If they would like to use other indicators like [return on equity] or [risk-adjusted return on capital] or [return on invested capital], we don't care," Yamaji said in an interview. It is up to companies to communicate it to investors, he added.

Contacting some companies' investor-relations departments in the country used to be a laborious affair for Hisashi Arakawa, the deputy head of investment management for Japan at Abridn. He said he had to first arrange a meeting through a broker and in some cases wait for a few weeks—or not secure a meeting at all.

"If you just gave them ad hoc calls, they wouldn't answer. But now we can call them any time," Arakawa said. "Every company that we hold that's below book—they want to do something," he added.

## China Stocks Rally After Beijing Moves

By Dave Sebastian and Rebecca Feng

Stocks in mainland China soared on Monday, after the government cut a tax on trading and said it would take more steps to revive its sagging capital markets.

The move is an attempt to address a slide in Chinese stock prices this year, as investors have dumped shares amid worsening economic news and big rallies elsewhere. China's benchmark CSI 300 Index was down around 4.2% this year before Monday's open.

The CSI 300 moved 2.4% higher in early trading, putting the index on track for its biggest single-day gain since last November. Hong Kong's Hang Seng Index, which includes the shares of many Chinese companies, was up 1.9%.

China's Ministry of Finance on Sunday said it would halve the stamp duty on securities transactions, to 0.05%, starting Monday, in an effort to spur trading and boost confidence. It was China's first stamp-duty cut since 2008.