

What's News

Business & Finance

- ◆ **The UAW threatened** to widen strikes against Detroit's carmakers, while Wall Street analysts tallied potential hits to the companies' bottom line from wage increases that now seem certain. **A1**
- ◆ **Public-sector jobs** have risen by 327,000 positions so far in 2023, according to the Bureau of Labor Statistics, a number approaching one-fifth of all new U.S. jobs created in the period. **A2**
- ◆ **U.S. stocks inched higher** in a subdued trading session ahead of the Fed's policy meeting, with the S&P 500, Dow and Nasdaq all gaining less than 0.1%. **B11**
- ◆ **Instacart said it set** a price of \$30 a share for its initial public offering, at the high end of expectations, in a further sign of resurgence in the IPO market. **B1**
- ◆ **Saudi Arabia is in** early-stage talks with Tesla about setting up a manufacturing facility there, people familiar with the discussions said. **B1**
- ◆ **Bob van Dijk stepped** down as chief executive of Naspers and from Prosus, the Amsterdam-listed unit that houses the South African internet and media conglomerate's international assets. **B3**
- ◆ **U.S. companies are** painting the bleakest picture in decades over doing business in China as tensions between Beijing and the West are compounded by a deteriorating operating environment. **B1**
- ◆ **Lyft agreed to pay** \$10 million to settle a SEC probe over a former board member's involvement in selling a large chunk of the company's shares before its 2019 IPO. **B4**

World-Wide

- ◆ **Five Americans who** had been wrongly imprisoned in Iran were on their way home after the U.S. released billions of dollars in revenue from Iranian energy sales that had been frozen under sanctions, senior U.S. officials said. **A1**
- ◆ **Prime Minister Trudeau** told Canadian lawmakers that authorities were investigating credible allegations of Indian government involvement in the killing of a Sikh independence leader shot in June in a temple parking lot in western Canada. **A7**
- ◆ **The Marine Corps** said it located the wreckage of an F-35B jet fighter that disappeared after its pilot ejected in South Carolina on Sunday. **A3**
- ◆ **Hunter Biden sued** the IRS, alleging that his privacy rights were violated when agents aired concerns to Congress and the media about the handling of the investigation into his taxes and business dealings. **A4**
- ◆ **Rudy Giuliani owes** his longtime lawyer roughly \$1.36 million in legal fees, according to a lawsuit filed by the attorney, Robert Costello, who has advised him on several criminal investigations. **A4**
- ◆ **Benjamin Netanyahu** and Elon Musk met in California, giving Israel's prime minister and the business chief an opportunity to address public controversies amid a broader conversation about artificial intelligence. **A8**
- ◆ **China's top diplomat** began a four-day visit to Russia after a stop in Malta for talks with White House officials, preparatory to Xi meeting separately with his U.S. and Russian counterparts. **A7**

CONTENTS

Arts in Review... A13	Markets Digest... B7
Banking & Finance B10	Opinion... A15-17
Business News... B3	Personal Journal A11-12
Crossword... A13	Sports... A14
Heard on Street... B12	Technology... B4
Markets... B11	U.S. News... A2-4,6
	World News... A7-9



Siamak Namazi, second from left, and Morad Tahbaz, right, two of the five Americans released, arrived in Qatar on Monday.

Iran Releases Five Americans In Exchange for Frozen Funds

By Vivian Salama and Michael R. Gordon

Five Americans who had been imprisoned in Iran were on their way to the U.S. Monday after the Biden administration released billions of dollars in revenue from Iranian energy sales that had been frozen under sanctions, senior U.S. officials said.

The detainees, along with the wife of one and the mother of another, flew to Doha, Qatar, where they were transferred from Iranian to Qatari custody and greeted by U.S. officials, before heading

to the Washington, D.C., area.

The release of the Americans, all of whom hold at least dual nationality, came against the backdrop of flailing efforts by the Biden administration to revive nuclear talks with Iran and Republican criticism over the administration's decision to release the funds, which the administration said are to be used strictly for humanitarian purposes.

"Today, five innocent Americans who were imprisoned in Iran are finally coming home...after enduring years of agony, uncertainty, and suffering," President Biden said in a

statement. He urged U.S. citizens not to travel to Iran.

Five Iranians were set to be released as part of the deal, U.S. officials said. Two who don't have legal status in the U.S. will be sent back to Iran through Doha, while U.S. officials declined to discuss the status of the other three.

Both Biden and President Ebrahim Raisi of Iran are in New York for the annual gathering of world leaders at the United Nations General Assembly, but U.S. officials didn't expect any high-level meetings between U.S. and Iranian officials.

The five Americans flew out of Iran days after the Biden administration issued a waiver for international banks to transfer to Qatar \$6 billion in payments made by South Korea for Iranian oil. The funds had been restricted under U.S. sanctions. This procedural action was seen as paving the way toward the release of the detained Americans.

The Biden administration said Washington will have some control over when and how the Iranians spend the funds, noting the deal adheres to longstanding U.S. policy of ensuring

Please turn to page A9

Car Union President Threatens To Widen Strikes

Wages remain focus as investors size up potential hits to companies' earnings

By Ryan Felton and Nora Eckert

The United Auto Workers union threatened Monday to widen strikes against Detroit's carmakers, while Wall Street analysts tallied potential hits to the companies' bottom line from wage increases that now seem certain.

Tensions remained high four days after UAW workers went on strike at three U.S. factories. The union and Jeep maker Stellantis have been trading barbs over a company proposal to possibly shutter 18 U.S. facilities as part of a potential labor agreement.

Stellantis presented the proposal to the UAW before the company's current labor agreement with the union expired Thursday. The plan could reduce the number of parts and distribution facilities the company maintains in the U.S., but the automaker said it wasn't aimed at cutting jobs.

The automaker separately offered to repurpose a currently idled assembly plant in Illinois. The factory, which made Jeep Cherokees, was shuttered in February and resulted in indefinite layoffs of 1,350 people, some of whom have taken jobs elsewhere in the company.

UAW President Shawn Fain criticized the company's handling of the proposal, saying

Please turn to page A6

INSIDE



SPORTS

The Cowboys had a successful formula—and tweaked it to make it better. **A14**

MEDIA

Katy Perry sells her musical catalog, spanning five albums at Capitol Records. **B4**

Culture War Comes to Oktoberfest. It Isn't About the Beer.

Groups push for the Bavarian bash to go organic. Critics are wary of a 'Woke Wiesn.'

By Jimmy Vielkind

MUNICH—Oktoberfest is usually all about the beer. This year, it is about chicken.

A decision by the Paulaner festival tent to serve all-organic hens at its marquee venue is stoking a debate between advocates of a sustainable Oktoberfest against traditionalists wary of a "Woke Wiesn"—a play on the short form of the name of the boisterous Bavarian celebration.

"It's an experiment," said Arabella Schörghuber, who runs the Paulaner Fesztzelt. "It's more expensive, but the quality is higher," she added. "We want to make sure that the animal has a good life. We'll see what happens."



Goes with chicken

On Saturday, she helped hand out the first beers from the middle of the giant festival tent after thousands of people counted down to the tapping of the first keg. Waiters each toting a dozen glasses with a liter of beer wove through crowds as huge rotisserie ovens cooked hens in a side kitchen, five on each spit.

Andrea Koerner, 56 years old, comes to Oktoberfest each year and usually orders the chicken, the most popular festival food. Not this time. When she saw that an organic half hen cost 20.50 euros, the equivalent of \$22, about 50% more than the nonorganic hens, she opted for pretzels and a cheese spread instead.

Please turn to page A10

China's Economy Faces Even Bigger Housing Crisis

Two years after Evergrande's fall, distressed property giant Country Garden threatens to create worse problems

By Rebecca Feng and Cao Li

China's giant housing industry is lurching into a new crisis that threatens to be the country's worst yet.

Two years ago, the debt-laden developer China Evergrande Group spiraled into insolvency, bursting the country's real-estate bubble and setting off a chain of developer defaults and business losses. The industry's troubles have dragged down China's economy.

Now China's largest privately run property developer, Country Garden, is struggling to survive. Unlike Evergrande, which was

brought down by its profligate habits, Country Garden's troubles come from the retreat of investors and home buyers from the industry.

Its financial distress could create far bigger problems for the economy and policy makers than Evergrande's debt default in 2021. Country Garden focused much of its enormous footprint on rural cities and industrial zones, which were an engine of China's growth in good times. Those areas are now wrestling with strained government finances and an accelerating exodus of residents, leaving

Please turn to page A10

Strong Growth, Rising Oil Prices Pose Risks to Fed's Soft Landing

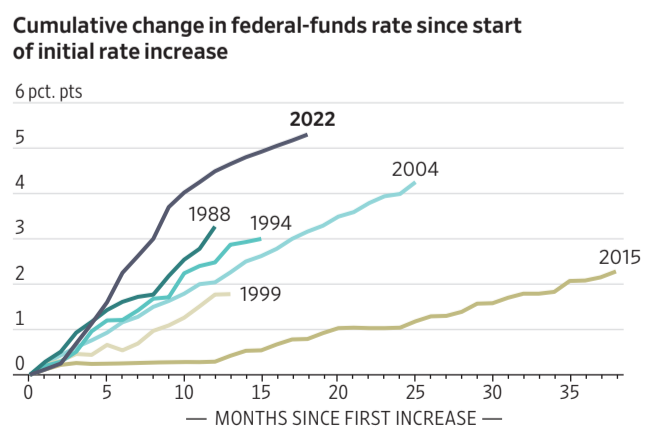
By Nick Timiraos

On the eve of recessions in 1990, 2001 and 2007, many Wall Street economists proclaimed the U.S. was on the cusp of achieving a soft landing, in which interest-rate increases corralled inflation without causing a recession.

Similarly, this summer's combination of easing inflation and a cooling labor market has fueled optimism among economists and Federal Reserve officials that this elusive goal might be in reach.

But soft landings are rare for a reason: They are tricky to pull off. "You need a lot of luck," said Antúlio Bomfim, a former adviser to Fed Chair Jerome Powell who is now at Northern Trust Asset Management.

Fed officials are set to hold rates steady this week after raising them to a 22-year high because they don't want to blow a shot at achieving a



Source: Federal Reserve

soft landing.

The goal faces four threats: the Fed holds rates too high for too long, economic growth accelerates, energy prices rise or a financial crisis erupts.

"The Fed could temporarily achieve a soft landing, but I'm skeptical that it could stick the landing for very long,"

said Peter Berezin, chief global strategist at BCA Research in Montreal.

Once the economy is operating with little or no slack, anything that boosts demand

Please turn to page A2

◆ **Heard on the Street: Fed projections off target...** B12



U.S. NEWS

As Job Market Cools, Government Is Hiring

Public sector dangles new perks to fill ranks while layoffs hit firms in tech and finance

By TE-PING CHEN

While many companies have been cutting staff and freezing new hires this year, the government is laying out the welcome mat.

Public-sector jobs at the federal, state and local level have risen by 327,000 positions so far in 2023, according to the Bureau of Labor Statistics. That is approaching one-fifth of all new American jobs created in the first eight months of the year. In contrast, public-sector jobs accounted for 5% of employment growth during the equivalent period last year.

"After two years of very underwhelming government hir-

ing, it's a necessary catch-up," said Julia Pollak, an economist at online jobs site ZipRecruiter.

Much of the recent hiring spree has been to backfill jobs left open by millions of teachers, police officers and other public servants who quit during the pandemic. Other roles at government agencies languished because the public sector couldn't effectively compete against private employers that were offering pay raises and signing bonuses to attract talent during several years of a white-hot labor market.

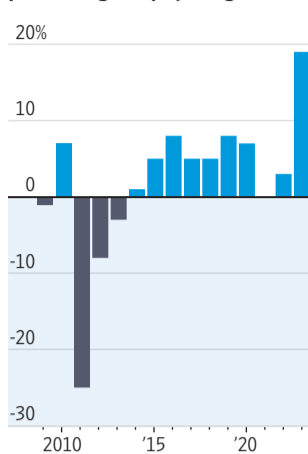
But just as layoffs hit sectors from tech to finance, government agencies have boosted funding for new hires and have dangled richer perks. This year's growth in public-sector jobs represents the highest share of overall U.S. payroll gains since 2001, when the government hired masses of workers focused on public

safety after the 9/11 terrorist attacks, Pollak said.

U.S. Customs and Border Protection has bulked up its staffing along the border with Mexico, and it is offering recruitment bonuses as high as \$20,000 for hard-to-fill jobs in some locations. Arizona recently started to give 12 weeks of paid time off to new parents who are employees of the state. It is tough for governments to quickly stump up cash for compensation, but in the past year many more cities and states have enacted pay increases.

A ZipRecruiter analysis found that postings for government jobs listed on its site this year advertise pay 20% higher than they did last year. Raises for firefighters and police officers, as well as many types of social work, fueled the higher pay number. Meanwhile, companies across tech,

Public-sector jobs as a percentage of payroll gains



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics, ZipRecruiter analysis

transportation and manufacturing, among other industries, are offering less pay for the same roles than they did last year.

Yet most public-sector roles go ignored by job seekers. Half of all government jobs attracted an average of 5.5 applicants in the first quarter, according to the latest data from NeoGov, which provides applicant tracking systems to governments.

"I don't think the greater job-hunting crowd has discovered the public sector yet," said Cara Woodson Welch, who leads the Public Sector HR Association.

Job posts larded with acronyms and jargon—or job titles such as "Program Manager (Integrator)"—may not help. Nor do long hiring timelines and pay levels that have traditionally lagged behind those of corporate employers, said Rivka Liss-Levinson, senior research manager at Mission-Square Research Institute, which studies state and local government workforces.

"They're basically saying, 'We're going to give you a job with a lower salary and it's going to take us longer to hire you,'" she said.

Many government agencies are trying to be more nimble where they can, revising job descriptions to attract more applicants and relaxing requirements to expand their applicant pool.

However dull the job description may be, government jobs tend to align with what many of today's workers say they want: stability, reasonable hours and a sense of purpose, said Jennifer Fairweather, chief human-resources officer for Colorado's Jefferson County.

In 2020, the county rolled out a four-day workweek for many employees, which Fairweather said has helped drive both applicant interest and staff retention.

Fed's Soft Landing Faces Risks

Continued from Page One could stoke inflation. Meanwhile, anything that lowers demand could send the unemployment rate rising, a process that is hard to stop once it starts, Berezin said. He expects a recession in the second half of next year.

The 1969 moon landing propelled the "soft landing" expression into economic lingo in the early 1970s. Nixon administration officials sought to conquer high inflation without triggering a severe downturn.

Since World War II, economists said, the U.S. has achieved only one durable soft landing, in 1995. "We steered the economy very expertly, but in addition, we were lucky. Nothing bad happened," said Alan Blinder, an economist who was Fed vice chair from 1994-96.

Here is what could go wrong this time.

First, if the Fed holds rates too high for too long, it would risk a severe downturn. The 1995 soft landing occurred after Fed officials pivoted quickly to cutting rates. After doubling their benchmark federal-funds rate to 6% over the 12 months through February of that year, they realized they might have acted too aggressively. Growth faltered and global forces appeared to be tamping down price pressures. They reduced rates three times starting in July.

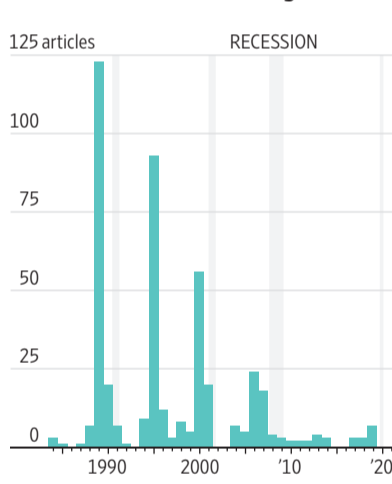
Back then, inflation was around 2% and Fed officials were lifting rates to prevent it from rising. Today, with inflation above 3%, they are trying to force it down. Officials have indicated they will hold rates at high levels for longer than they might have before the recent inflation spell to ensure price pressures don't resurge.

After Fed officials stop lifting rates, Berezin said, "my worry is that they'll stay on 'pause' longer than they need to because it will be embarrassing to start cutting rates



Consumer spending is showing signs of accelerating, which could cause Fed officials to raise rates higher.

Number of Wall Street Journal articles that reference a 'soft landing'



*Core excludes food and energy prices †WTI front month Sources: WSJ archives (articles); Labor Department (CPI); FactSet (crude-oil futures)

Consumer-price index, change from a year earlier



*Core excludes food and energy prices †WTI front month Sources: WSJ archives (articles); Labor Department (CPI); FactSet (crude-oil futures)

U.S. crude-oil futures price*



so soon after" raising them and because they might fear repeating their mistake of underestimating inflation risks two years ago.

In addition, avoiding a recession if inflation is tamed will eventually require keeping interest rates close to their so-called neutral level that neither spurs nor slows growth. Because this rate can't be observed, it is hard to identify.

Second, consumer spending and business activity are showing signs of accelerating again after slowing last year. If that continues, Fed officials could conclude that inflation's decline risks stalling out unless

they raise rates higher, increasing the chances of a recession.

The Fed lifts rates to fight inflation by slowing economic activity. That occurs, partly, as higher borrowing costs and lower asset prices lead executives to spend and hire less. But the economy has proven surprisingly resilient so far to the Fed's aggressive moves, offering fewer signs that companies are taking such steps.

The economy over the coming years could be buoyed by higher savings and income unleashed by the stimulus governments deployed to ease the pandemic's fallout, said Steven Blitz, chief U.S. economist

at GlobalData TS Lombard.

"If I'm sitting at the Fed, what bothers me most is I am seeing nonfinancial corporate earnings increase in the second quarter, and the stock market is not showing me any sign that investors expect earnings to be falling this quarter," said Blitz. "If earnings are going up, employment is not going to get weaker."

He expects Fed officials to discover next year that they have either raised rates higher than necessary or not lifted them high enough. That leaves little room for a soft landing. "Planes land. Economies don't. They are in a constant, dy-

namic process," Blitz said.

Third, rising oil prices threaten to drive inflation higher while reducing growth by slowing discretionary spending. Such a "stagflationary" shock "is the opposite of what you want if you're trying to engineer a soft landing," Blinder said.

Production cuts by the Organization of the Petroleum Exporting Countries and its allies have lifted crude-oil prices to 10-month highs and boosted the premiums refiners can charge producing the heavy fuels that power trucks, planes and ships. Rising diesel-, jet- and marine-fuel

prices could reverse recent declines in inflation driven by lower transportation costs and push up prices on everything from food to construction.

Oil-price spikes after the Fed started cutting rates in 1990 and 2008 contributed to much harder landings. Benchmark U.S. crude-oil futures prices closed at about \$91 a barrel on Friday, up nearly 30% since June. "If oil prices were to go above \$100 again, I would certainly start to get more worried," Berezin said.

In past episodes, the Fed hasn't raised rates when facing a one-time supply hit that lifts prices. But after 2½ years of high inflation, officials have reason to fear a new price shock would spur inflation. Officials said consumers' and businesses' expectations of future inflation play a critical role in determining inflation. Higher gasoline prices threaten to drive up those expectations.

Fourth, the economy could be hit by some market crackup or geopolitical crisis. Many analysts see the rapid adjustment in global borrowing costs and the lagging effects of past increases as a source of instability.

The Fed held interest rates near zero for seven years after the 2008-09 financial crisis and lifted them to still-historically-low levels in the years before the pandemic brought rates back to zero. As a result, some financial firms and businesses might have made investments or plans that counted on rates staying much lower for longer.

A further half-percentage-point increase in interest rates would put greater strain on the banking and property sector, said JPMorgan Chase Chief Executive Jamie Dimon at a conference last week.

He warned of risks posed by large, widening U.S. budget deficits that have to be financed by investors at the same time the Fed is shrinking its \$8.1 trillion asset portfolio of government securities.

"There's a false sense of security that those two things will end up being OK," Dimon said. "To say, 'The consumer is strong today,' meaning you [will] have a booming environment for years, is a huge mistake."

CORRECTIONS & AMPLIFICATIONS

New Orleans District Attorney Jason Williams will face re-election in 2026. In some editions Monday, a U.S. News article about Williams incorrectly said he faces an election next year.

A Berkshire Hathaway company is constructing a titanium factory in Ravenswood, W.Va. A Technology article on Monday about rechargeable batteries incorrectly said Ravenstown, W.Va.

Some of the experts interviewed for a Sept. 9 Off Duty article about laundry said that additives such as fabric softener can potentially change the texture of clothes, which can shorten their lifespan. The article incorrectly said that every expert said that additives actually damage clothing, and it incorrectly said that fabric softener wears down clothes like sandpaper.

An Aug. 29, 1963, article about the civil-rights movement's March on Washington incorrectly quoted several parts of the speech of John Lewis, who was then the chairman of the Student Nonviolent Coordinating Committee. It appears that the Journal relied on an early draft of Lewis's speech rather than the speech Lewis actually delivered on Aug. 28, 1963.

In his speech, Lewis offered qualified support for the Kennedy administration's civil-rights bill, saying: "We come here today with a great sense of misgiving. It is true that we support the administration's civil-rights bill. We support it with great reservation, however." The article incorrectly quoted Lewis as saying: "We cannot support the Administration's civil rights bill, for it is too little and too late."

Lewis also said: "I appeal to all of you to get in this great revolution that is sweeping

this nation. Get in and stay in the streets of every city, every village and hamlet of this nation until true freedom comes, until the revolution of 1776 is complete. We must get in this revolution and complete the revolution. For in the Delta of Mississippi, in Southwest Georgia, in the Black Belt of Alabama, in Harlem, in Chicago, Detroit, Philadelphia and all over this nation the black masses are on a march for jobs and freedom.

"They're talking about slow down and stop. We will not stop. All of the forces of Eastland, Barnett, Wallace, and Thurmond will not stop this revolution. If we do not get meaningful legislation out of this Congress, the time will come when we will not confine our march into Washington. We will march through the South, through the streets of

of Birmingham. But we will march with the spirit of love and with the spirit of dignity that we have shown here today.

of Birmingham. But we will march with the spirit of love and with the spirit of dignity that we have shown here today.

"By the forces of our demands, our determination and our numbers, we shall splinter the segregated South into a thousand pieces, put them together in the image of God and Democracy. We must say wake up, America, wake up!"

The article incorrectly said that Lewis said: "All of us must get in the revolution. Get in and stay in the streets of every city, every village and every hamlet of this nation until true freedom comes, until the revolution is complete. In the Delta of Mississippi, in southwest Georgia, in Alabama, Harlem, Chicago, Detroit, Philadelphia and all over this nation. The black masses are on the march.

"We won't stop now. All of the forces of Eastland, Barnett, Wallace and Thurmond won't stop this revolution. The time

will come when we will not confine our marching to Washington. We will march through the South, through the heart of Dixie, the way Sherman did. We shall pursue our own scorched earth policy and burn Jim Crow to the ground — nonviolently. We shall fragment the South into a thousand pieces and put them back together in the image of democracy. We will make the action of the past few months look petty. And I say to you, wake up America!"

The article also misquoted Walter Reuther, who was president of the auto workers union. Reuther's speech did call upon Congress to enact without delay the civil-rights program proposed by President Kennedy, but he didn't use those exact words, and that statement shouldn't have been in quotation marks.

A copy of the 1963 article in its original form is available at WSJ.com/Corrections.

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

Editorial and publication headquarters:
 1211 Avenue of the Americas,
 New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices.

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

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U.S. NEWS

Marine Corps Finds Wreckage of Missing Jet

By DOUG CAMERON

The Marine Corps said late Monday that it had located the wreckage of an F-35B jet fighter that disappeared after its pilot ejected in South Carolina on Sunday.

Military and civilian agencies had been searching for the jet around two lakes near Charleston, but located a debris field in Williamsburg County, some two hours northeast of the city.

The Marines also announced a two-day pause in flying across the service this week to assess its safety practices. The F-35 incident is the third involving Marine aircraft in recent weeks, including the fatal crash of a V-22 Osprey in Australia.

The search for the single-engine, single-seat F-35 attracted widespread attention after Joint Base Charleston sent a post Sunday on X, formerly known as Twitter, asking the public to call if they

found the aircraft.

The pilot ejected safely after what the Marines called a “mishap” near Charleston, S.C., a term commonly used during ongoing investigations into aircraft incidents.

The F-35 has a range of stealth modes that restrict its visibility to radar and other detection. The Marines haven’t commented on what

The Marines set a two-day pause in flying across the service this week.

mission the jet—one of two on a sortie—was performing.

The aircraft are equipped with transponders and beacons, and several have been recovered from hostile environ-

ments.

The U.S. Navy last year recovered a carrier-based F-35C from a depth of more than 12,000 feet after it crashed into the South China Sea.

A British F-35B crashed on takeoff from an aircraft carrier in the Mediterranean in November 2021, prompting an undersea search that took three weeks to successfully lo-

cate and recover the plane on the seabed. Japan recovered one of its F-35s that crashed off the country’s northern coast in 2019.

The jet involved in the latest accident was assigned to a Marine Corps training squadron from the 2nd Marine Aircraft Wing based in North Carolina.

Lockheed Martin has produced more than 1,000 of the single-seat, single-engine F-35 jets, though deliveries to the U.S. are currently suspended pending the completion of some upgrades.

Around a dozen of the planes have been destroyed in crashes and accidents since the F-35 entered service in 2015, according to U.S. Air Force data, a rate no worse than other aircraft types.

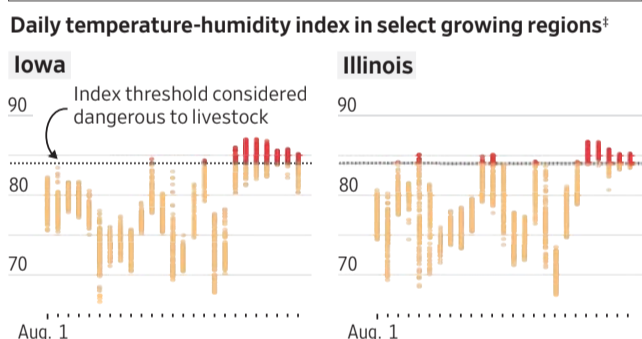
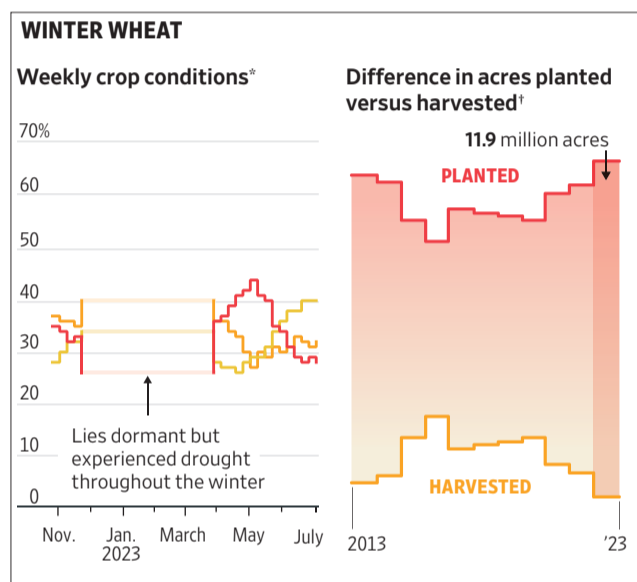
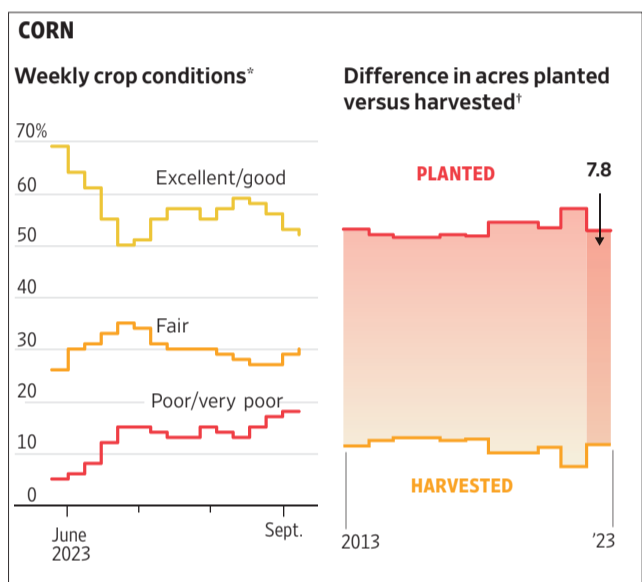
The F-35B has a list price of around \$90 million for the latest batches. Older planes cost more, and upgrades have also inflated the price. The Air Force said that an F-35A—the cheapest of the three models—that crashed last year at Hill Air Force Base, Utah, was valued at \$166 million, more than twice the list price of the plane.



The Marines announced a two-day pause in flying across the service this week to assess its safety practices. An F-35B taking off from an air base in Gunsan, South Korea, last year.

Turbulent Times

Farmers in cereal-growing regions had to cope with a succession of extreme weather events.



*Data for corn as of Sept. 10; wheat data as of July 9 †Estimate as of Sept. 12 ‡Data as of Aug. 25. Regions with an index below 60 not shown. Sources: Agriculture Department (crop conditions, acres planted vs harvested); Gro Intelligence (temperature-humidity index)

Stephanie Stamm, Camille Bressange (print design)/THE WALL STREET JOURNAL

How Crops Weathered Summer’s Extremes

By STEPHANIE STAMM AND PATRICK THOMAS

Scorching temperatures and drought conditions followed by deluges of rain have made for an unusually volatile growing season for U.S. farmers.

July was the hottest month on record, surpassing the global monthly average temperature record set in July 2019. The July heat followed the hottest June on record. This summer’s blasts of heat in many key crop-growing regions in the Midwest have accompanied drought in places like Iowa, Nebraska, Missouri and Minnesota, threatening crops and parching pastures used for grazing.

A more turbulent growing season for U.S. farmers could result in higher crop prices, livestock deaths and ultimately higher food prices for consumers. A smaller U.S. crop would compound global crop supply shortages stem-

ming from Russia’s invasion of Ukraine, one of the world’s top grain-producing countries. Some agriculture officials expect that summers with more severe weather events, from heat waves to droughts, could be even more common in the coming years as a result of a changing climate.

“We know that there is more volatility in the environment coming,” said Bob Reiter, head of research and development at crop-seed giant Bayer.

At the end of June, 65% of the Midwest was in a moderate drought or worse, the broadest area in a decade, according to the U.S. Drought Monitor.

Crops in parts of Kansas, Nebraska, Minnesota and Iowa are experiencing significant drought stress compared with historical patterns, according to Travis Hartman, director of weather and climate at Maxar Technologies, which owns and operates commercial Earth-

imaging satellites that collect imagery around the world.

Timely rains in July helped growing conditions and alleviated farmer worries of another disappointing crop. Agriculture advisory firm Pro Farmer and the Agriculture Department both project that national corn production will increase from a year ago.

More weather-resilient seed technology is also helping farmers. Seed makers, such as Corteva, Bayer and Syngenta, have spent years developing more drought-tolerant crops.

Corn futures on the Chicago Board of Trade are down nearly 30% this year to just under \$5 a bushel. Agriculture Department crop reports are estimates but have historically been on target. Farmers’ corn and soybean harvests will begin in the coming weeks.

While wheat has the largest difference in acres planted versus harvested after months of scarce rainfall in key states

like Kansas, weather conditions have been steadily improving. Meanwhile, conditions for corn and soybeans have become poorer.

High temperatures can pose a deadly risk to cattle in feedlots in the Midwest before they are shipped to slaughter plants. During hot periods, feedlot operators need temperatures to stay in the mid-60s for about five hours at night so the cattle can cool down. About four days in the 90s and nights in the 70s could result in deaths, according to feedlot operators.

Persistent drought over the past few years has dried out grazing pastures in many cattle states, such as Nebraska and Kansas. The result has led to ranchers shrinking the size of their herds rather than paying more to buy expensive hay to feed the livestock. A lower cattle supply means more expensive beef for U.S. consumers.

Bear Necessitates Closure of Disney World Rides

By TALAL ANSARI

A bear sighting at Walt Disney World in Florida on Monday caused the closure of numerous rides and portions of the park until it was captured by authorities.

The Florida Fish and Wildlife Conservation Commission said the black bear was reported to be in a tree at the Magic Kingdom park in Walt Disney World.

Biologists and law-enforcement officials with the agency captured the adult female bear.

Temporarily closed portions of Magic Kingdom park included Frontierland, Liberty Square and Adventureland. Those areas were reopened later, a Disney spokesperson said.

The bear will be relocated outside of the park to an area in or around the Ocala Na-

tional Forest, the commission said. The forest is located north of the famed amusement park and the city of Orlando.

“During the fall, bears are more active as they search for food to pack on fat reserves for the winter,” the commission said in a statement. “This particular bear was likely moving through the area searching for food.”

In the fall, adult bears need to consume 20,000 calories a

day, according to a warning the commission issued last week.

“Any accessible food source, such as unsecured garbage, pet food or bird seed, can be enticing to a hungry bear preparing for the winter, potentially drawing them into conflict with people,” said Mike Orlando, FWC bear management program coordinator, in his seasonal warning to residents.

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U.S. NEWS

GOP Hopefuls Rip Their Ivy Alma Maters

Ramaswamy and DeSantis take shots at schools that aided their ascent

By Julie Bykowicz
and Ted Mann

Florida Gov. Ron DeSantis says he managed to “withstand seven years of indoctrination” at Yale and Harvard. Businessman Vivek Ramaswamy laments those universities as “once special institutions that now engage in self-destructive practices.”

The two presidential candidates are among a growing class of Republican Ivy Leaguers who are bashing their alma maters to appeal to populist voters. What they don’t mention is how much those degrees paved the way for their ascent in politics and business.

Their strategy is a response to the educational realignment of the parties. Republican politicians, who for generations burished Ivy League credentials with pride, now must avoid alienating the large share of GOP voters who never went to college at all.

The candidates say it is the universities that changed. Harvard and Yale “have moved from a role of free inquiry and education to actually more of activism,” Ramaswamy said in an interview. Those schools have become “pathetic hollowed-out husks of the institutions that I knew when I was there.”

There are exceptions. Former President Donald Trump plays up his degree from the University of Pennsylvania as a sign of intellect. “I went to an Ivy League college,” he said in 2017. “I was a nice student. I did very well.”

DeSantis has highlighted his education when it suited him. In his memoir, he recounts his first campaign for governor, when Fox News laid out his Ivy League and military credentials in comparison to a GOP rival. “This is exactly the contrast we were looking to draw!” he wrote.

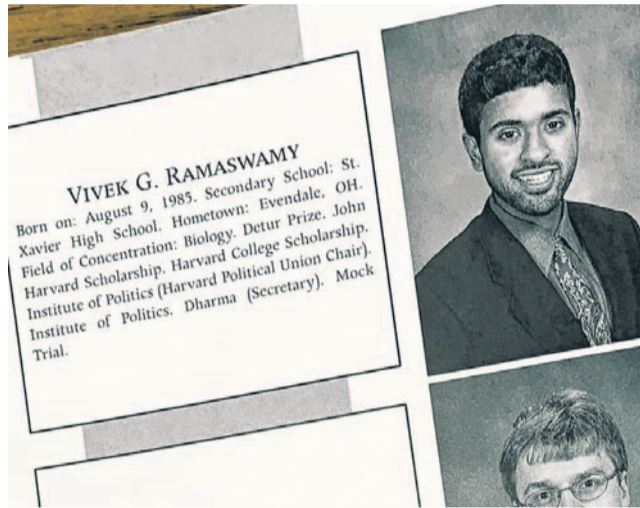
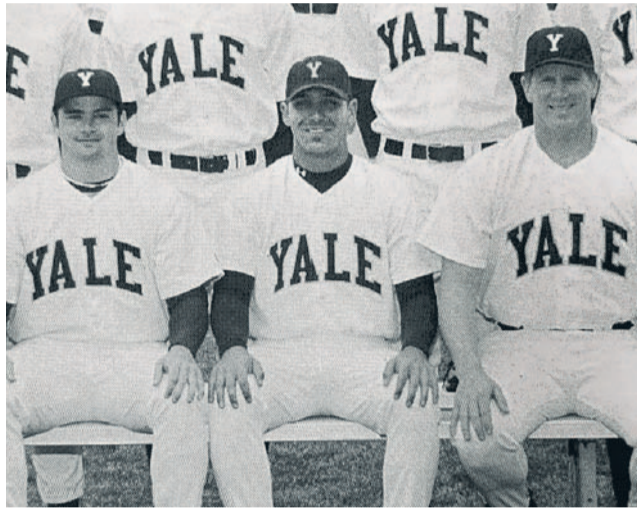
Little risk

Yet with the more populist direction of today’s GOP, many candidates see more benefits from criticizing the Ivy League and little risk that voters will view it as disingenuous.

DeSantis and other Republicans, including Princeton- and Harvard-educated Texas Sen. Ted Cruz, “know what they’re saying is baloney, but they also know there are a lot of voters who want to hear it,” said Jim



Florida Gov. Ron DeSantis, above left and below left, center, as a Yale baseball player, and Vivek Ramaswamy, above right and below right in his Harvard yearbook, try to play down their Ivy League backgrounds as they appeal to GOP voters.



Rowe, a Harvard vice president for government affairs in the late 1990s.

DeSantis arrived in New Haven, Conn., in fall 1997, wearing jean shorts and flip flops and feeling out of place, he frequently recalls. He had been a high-school baseball player in suburban Dunedin on Florida’s Gulf Coast, raised by his mother, a nurse, and father, who installed television ratings boxes.

“It was kind of a culture shock for me,” he said last month at a WMUR town hall in New Hampshire. “And I didn’t even know colleges were liberal at the time.”

He often assures voters that he was one of the few people to come through Yale, where he was a history major, and Harvard Law School “more conservative than when I went in.”

Those two universities—also Ramaswamy’s alma maters, though in a different order and a few years later—have produced more U.S. presidents than anywhere else. Four of Yale’s five were Republicans, including George H.W. Bush and George

W. Bush. Like the elder Bush, DeSantis was captain of its baseball team and a member of the Delta Kappa Epsilon fraternity.

Low profile

At Yale, DeSantis was studious, devoted to the baseball team and not particularly social, several college friends said. He never seemed overly political, even with the campus abuzz over the prolonged 2000 election

between George W. Bush and then-Vice President Al Gore. Bush spoke at DeSantis’s graduation the next year. “Our social circle tended to be Republican Bush fans,” said Nick Sinatra, a fellow DKE member two years behind DeSantis. Sinatra, a Buffalo, N.Y., real-estate developer, and another DKE member, Scott Wagner, said they bonded with De-

Santis over their middle-class families and conservative reflexes.

“The way we grew up, meritocracy matters, and you learn to work on a team,” said Wagner, a Miami attorney whom DeSantis appointed to the South Florida Water Management District. “Then you get into a Yale classroom and are hearing things that cut across what you’ve seen with your own eyes and you think, that’s just not the way the real world works.”

At Harvard, DeSantis joined the Federalist Society, a conservative and libertarian legal group.

When he decided to run in a Republican primary for a Florida congressional seat in the 2012 election, DeSantis, now 45 years old, said his academic bona fides were more of a liability than a help, he wrote in his autobiography.

Still, Yale and Harvard have

given him a political boost. Fellow Yalies, including Wagner and Sinatra, held one of his first congressional-campaign fundraisers in New York City. Both have continued to raise funds for him and support his presidential bid.

Ramaswamy’s school ties also have helped him. He befriended J.D. Vance, now a Republican Ohio senator, while they were at Yale Law School starting in 2011. There, he also met billionaire venture capitalist Peter Thiel. Vance and Thiel later invested in Ramaswamy’s asset-management firm Strive, records show.

Ivy recruits

When he founded **Roivant Sciences**, a pharmaceutical startup, Ramaswamy recruited heavily from the Ivy League alumni ranks.

As he delved deeper into politics, Ramaswamy teamed up with his former Yale law professor, Jed Rubinfeld, to write editorials denouncing restrictions on right-wing speech. Rubinfeld also advised Ramaswamy

on his 2021 book “Woke, Inc.”

In the book, Ramaswamy, now 38, laments the resignation of former Harvard President Larry Summers, after he made public remarks widely regarded as sexist, and criticizes Bill Gates for a 2007 commencement speech that urged Ramaswamy and his classmates to fight social and racial inequity.

Yet his own experiences in higher education suggest a comfortable environment for conservatives and capitalists.

At Harvard, he majored in biology, served on a search committee for a new university president and debated as part of the Harvard Republican Club. He graduated summa cum laude in 2007.

While in Cambridge, Mass., Ramaswamy and a classmate, Travis May, co-founded Campus Venture Network, a tech startup that aimed to connect student entrepreneurs with potential investors.

While working a postcollege job in finance in 2011, Ramaswamy used the Paul & Daisy Soros Fellowships for New Americans to help pay for Yale. The program says it aims to foster the diverse contributions that immigrants and their children make to the U.S. Recently, Ramaswamy has called the use of affirmative action in admissions “institutionalized racism”—triggering allegations of hypocrisy.

Ramaswamy can’t resist the occasional boast about his alma maters. On Saturday, his campaign accused rival Mike Pence of stealing his proposal to eliminate the Department of Education. “Don’t blame you,” the campaign posted on social media. “Vivek is super smart. @Harvard and @YaleLawSch degrees.”

Elite campuses can serve as incubators for conservative academia. The Federalist Society was founded in 1982 by law students from Yale, Harvard and the University of Chicago. Yale’s Buckley Institute is named for conservative writer William F. Buckley Jr.

DeSantis embraced that spirit when he spoke at an October 2016 dinner hosted by the group. “Yale has become somewhat of a laughingstock with the way some of that stuff has been handled,” he said about free speech, according to a Yale Daily News account of the dinner.

The next year, DeSantis’s first gubernatorial bid got a big boost, courtesy of an Ivy-loving president.

“Congressman Ron DeSantis is a brilliant young leader,” Trump wrote on Twitter. “Yale and then Harvard Law, who would make a GREAT Governor of Florida.”

Hunter Biden Alleges IRS Privacy Breach

By C. Ryan Barber

WASHINGTON—President Biden’s son Hunter Biden sued the Internal Revenue Service on Monday, alleging that his privacy rights were violated when agents aired concerns to Congress and the media about the handling of the investigation into his taxes and business dealings.

In a 27-page lawsuit, Hunter Biden’s lawyers centered on a pair of IRS agents, Gary Shapley and Joseph Ziegler, who have said Justice Department officials slow-walked and stymied the investigation into the president’s son. The younger Biden’s lawyers argued that, in airing concerns about the handling of the criminal inquiry, the two agents disclosed information that federal law deems should be kept secret.

Noting that Hunter Biden is the president’s son, the lawyers wrote: “Mr. Biden has no fewer or lesser rights than any other American citizen, and no government agency or government agent has free reign [sic] to violate his rights simply be-



Hunter Biden

cause of who he is.”

An IRS spokesman declined to comment. The agents have said they reported their concerns through appropriate internal channels and their disclosures to Congress were made legally.

Shapley’s legal team called the lawsuit “just another frivolous smear by Biden family attorneys trying to turn people’s attention away from Hunter Biden’s own legal problems and intimidate any current and future whistleblowers.”

Ziegler’s lawyer, Dean Zerby, said his client would “continue to speak out about the Department of Justice providing special treatment to Hunter Biden” and called the lawsuit “an effort to distract from the ever-growing evidence that supports the testimony of the two IRS whistleblowers.”

The civil case was assigned Monday to Judge Timothy Kelly, a Trump appointee confirmed in 2017 to the federal trial court in Washington.

The lawsuit was filed less than a week after Hunter Biden was indicted in Delaware federal court on gun charges re-

lated to his 2018 purchase of a firearm. Days before that indictment, House Speaker Kevin McCarthy announced the launch of a formal impeachment inquiry into President Biden that is centered on his family’s financial dealings.

“This lawsuit is not about the proper workings of the whistleblower statute and process, nor an official using those procedures properly to make disclosures to authorized government officials,” wrote Hunter Biden’s lawyer Abbe Lowell. “Rather, the lawsuit is about the decision by IRS employees, their representatives, and others to disregard their obligations and repeatedly and intentionally publicly disclose and disseminate Mr. Biden’s protected tax return information outside the exceptions for making disclosures in the law.”

IRS employees are generally forbidden under the tax code from disclosing information from tax returns, and there are both criminal penalties and potential civil liability for disclosures.

There is a crucial exception. The chairs of the congressional tax-writing committees can request any taxpayer information from the IRS and then the committees can vote to make that information public in a report. The House Ways and Means Committee voted earlier this year to publish transcripts of interviews with the IRS employees in the Hunter Biden case.

When it was under Democratic control, the Ways and Means Committee used the same section of the tax code to

publish the tax returns of former President Donald Trump.

Hunter Biden’s lawsuit focuses on news interviews that Shapley and Ziegler conducted before the Ways and Means Committee publication or that included information that wasn’t specifically published by the committee.

For the younger Biden, the lawsuit opens a new case at a time of heightened legal peril. It comes amid the continuing fallout from the collapse of a plea deal Biden reached with federal prosecutors, in which he was set to plead guilty to a pair of misdemeanor tax charges and avoid prosecution on a gun-possession charge. Hunter Biden had agreed under the plea deal to admit to failing to pay his taxes in 2017 and 2018.

The deal imploded during a July court hearing when prosecutors and Hunter Biden’s legal team couldn’t agree on whether it granted the president’s son immunity from potential additional charges.

David Weiss, the U.S. attorney in Delaware who was named a special counsel last month, may soon seek an additional indictment of Hunter Biden on tax charges.

In the lawsuit Monday, filed in U.S. District Court in the District of Columbia, Hunter Biden’s legal team said the IRS agents and their attorneys had “willfully disregarded federal tax law, undermining Americans’ faith in the IRS and the purported confidentiality of its investigations.”

—Richard Rubin contributed to this article.



Rudy Giuliani in Georgia after being charged in the election case.

Giuliani Lawyer Sues Him Over Unpaid Fees

By Jan Wolfe

Rudy Giuliani owes his longtime lawyer roughly \$1.36 million in legal fees, according to a lawsuit filed on Monday in New York.

Robert Costello, who has represented Giuliani since 2019, sued the former New York City mayor in state court. Costello’s law firm, Davidoff Huttcher & Citron, is also a plaintiff in the lawsuit.


The lawsuit adds to the legal woes facing Giuliani, one of former President Donald Trump’s 18 co-defendants in the Georgia racketeering case alleging a criminal scheme to subvert the November 2020 presidential election, and highlights his mounting financial pressures as he prepares a defense in that case. Giuliani has pleaded not guilty in the Georgia case, as have all the other


defendants, including Trump.

The complaint states that Costello and his law firm have billed Giuliani \$1.57 million since 2019 and Giuliani has paid only \$214,000 of the total bill. Giuliani made a partial payment of \$10,000 last week, according to the complaint.

“I can’t express how personally hurt I am by what Bob Costello has done,” Giuliani said. “It’s a real shame when lawyers do things like this, and all I will say is that their bill is way in excess to anything approaching legitimate fees.”

Costello, who began representing Giuliani in 2019, has advised him on several criminal investigations; disciplinary proceedings that resulted in the suspension of his law license in New York; the congressional investigation into the Jan. 6, 2021, attack on the U.S. Capitol; and related lawsuits.

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U.S. NEWS

CALIFORNIA Suspect Arrested In Killing of Deputy

A 29-year-old man was arrested early Monday in the ambush killing of a Los Angeles County sheriff's deputy who was shot as he sat in a patrol car, authorities said.

The suspect barricaded himself into a home in the city of Palmdale, but later surrendered, Los Angeles County Sheriff Robert Luna said. He said authorities haven't yet determined a motive for the killing of Deputy Ryan Clinkumbro on Saturday evening.

Luna said there could be more arrests but that he believes the suspect is the person who killed the deputy. "I feel extremely confident that we have the right person in custody," Luna said.

Hundreds attended a vigil outside the Palmdale sheriff's station Sunday for the 30-year-old third-generation law-enforcement officer who had just become engaged four days before the shooting.

—Associated Press

ILLINOIS Son of 'El Chapo' Pleads Not Guilty

Ovidio Guzmán López, a son of former Sinaloa cartel leader Joaquin "El Chapo" Guzmán, pleaded not guilty Monday to drug trafficking, money laundering and other charges during his first court appearance since being extradited to the U.S. from Mexico.

Guzmán López was extradited Friday, five months after U.S. prosecutors unsealed indictments against him and his brothers, known collectively as the "Chapitos." The indictments laid out how following their father's extradition and eventual life sentence in the U.S. in 2019, the brothers steered the cartel into synthetic drugs such as methamphetamine and the opioid fentanyl. Mexico captured Guzmán López, known as "the Mouse," in January.

The indictments said the brothers' goal was to produce huge quantities of fentanyl and sell it at the lowest price. They denied the allegations.

—Associated Press

VIRGINIA Lawmaker Won't Seek Re-Election

Jennifer Wexton, a House Democrat who represents a competitive district spanning Virginia suburbs of Washington, D.C., said she won't run for re-election as her health declines because of a neurological disease.

Wexton, 55 years old, announced her decision Monday on social media. The moderate Democrat, a former prosecutor, was one of several dozen party members elected in 2018 as the party retook control of the U.S. House.

In April, she said she was diagnosed with Parkinson's disease. After she didn't respond to treatment, she said doctors changed that diagnosis to progressive supranuclear palsy, which Wexton described as "Parkinson's on steroids."

The Mayo Clinic says the disease is uncommon and causes brain cells that control thought and body movement to deteriorate.

—Katy Stech Ferek

U.S. WATCH



AW-SHUCKS: Britain's Prince William was on New York City's Governors Island Monday to see the Billion Oyster Project, which is using restaurants' shells for the restoration of oyster reefs.

Tensions Stay High In Strike

Continued from Page One

that Stellantis was using workers at the Belvidere, Ill., plant as a bargaining chip in the talks.

Whether the proposal is still on the table couldn't be learned, though the company said Monday it was committed to identifying a solution for the facility.

About 12,700 factory workers picketed for the fourth day at a Ford Motor pickup factory near Detroit, a Stellantis Jeep plant in Toledo, Ohio, and a General Motors commercial-van factory near St. Louis. Fain opted for an unusual, targeted strike at each company instead of a full walkout of the union's 146,000 auto workers.

In a video the UAW shared



UAW members picketed Monday at Ford's Wayne, Mich., plant. The union signaled some progress with Ford over the weekend.

Monday night, Fain said he would release a new round of plant targets at noon on Friday if the companies don't move enough on their proposals.

"We're not waiting around, and we're not messing around," he said.

UAW leaders are worried about layoffs and plant clo-

sures as automakers gradually shift their lineups to electric vehicles. The union is fighting to organize EV-assembly plants and battery factories popping up across the country.

Mark Stewart, Stellantis's North American chief operating officer, said Saturday that the company's proposal for the

18 facilities would largely help modernize parts and distribution plants operated by its Mopar brand, which sells genuine parts and accessories.

"It's not about reducing jobs," Stewart said in a call Saturday. "It's about consolidating, and in cases where we own it, selling underutilized real estate so the company can compete in an electrified vehicle world."

In a sign of the rising political importance of the strike, former President Donald Trump is expected to travel to Detroit next week for a speech before hundreds of union members, an aide said, as he ramps up attempts to attract rank-and-file union workers ahead of the 2024 campaign. The UAW has yet to endorse a candidate in the presidential race.

Stellantis's 5.4 million-square-foot North American headquarters campus was among the list of facilities targeted for possible closure, people familiar with the matter said.

The facility is the largest of-

space in the country after the Pentagon, according to the company's website. It has a dedicated exit ramp on I-75 in suburban Detroit, and at one point, about 15,000 employees worked out of the facility.

The company had previously said it was evaluating its real-estate footprint and has gone to a hybrid work model. It isn't guaranteed that facilities would be sold under a labor agreement.

CNBC reported earlier on details of Stellantis's proposal. Discussions around wages have taken center stage in the negotiations between the companies—which are bargaining independently with the UAW in parallel talks—over new four-year contracts for 146,000 auto workers.

The companies have made offers of around 20% wage increases over four years, while the union has been pressing for a bump in the mid-30% range. The union also wants cost-of-living adjustments added into base pay, while carmakers have offered lump-

sum payments to protect against inflation.

Wells Fargo analysts estimate that the companies' proposals would add an estimated \$700 million to \$1.2 billion in costs to each company over the four-year life of the contract. Those costs would hit \$1.7 billion to \$2.4 billion under the union's mid-30% ask, plus cost-of-living adjustments.

Some workers have expressed concerns about how they will be financially supported if their plant goes down as a ripple effect of walkouts at other facilities. A union official confirmed Monday that just like striking workers, non-striking workers who are laid off will be supported by \$500 weekly pay.

The UAW signaled some progress in its discussions with Ford over the weekend, saying it had "reasonably productive conversations" with the company. Ford said it is "committed to reaching an agreement with the UAW that rewards our workers and allows Ford to invest in the future."



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WORLD NEWS

Canada Probes India Over Killing

‘Credible’ allegations tie New Delhi to death of Canadian Sikh, says Trudeau

By PAUL VIEIRA

OTTAWA—Canadian Prime Minister Justin Trudeau told lawmakers Monday that authorities are investigating “credible allegations” of Indian government involvement in the killing of a Sikh independence leader shot in June in a temple parking lot.

Trudeau said he raised his concerns directly with Indian Prime Minister Narendra Modi at this month’s Group of 20 summit in New Delhi. Canada also said Monday it expelled a senior Indian diplomat in charge of intelligence gathering. Trudeau has spoken with President Biden and British Prime Minister Rishi Sunak about the allegations, said Canadian Foreign Minister Mélanie Joly.

“Any involvement of a foreign government in the killing of a Canadian citizen on Canadian soil is an unacceptable



Protesters rallied in Vancouver in June to condemn the killing of Hardeep Singh Nijjar.

violation of our sovereignty,” Trudeau said in a statement delivered in the national legislature. “In the strongest possible terms, I continue to urge the government of India to co-

operate with Canada to get to the bottom of this matter.”

India’s foreign ministry sharply rejected the allegations calling them “absurd and motivated” and said that Can-

ada was providing a haven for extremists linked to a movement seeking to create a separate Sikh homeland called Khalistan in India.

“We are a democratic polity

with a strong commitment to rule of law,” it said. “Such unsubstantiated allegations seek to shift the focus from Khalistani terrorists and extremists, who have been provided shelter in Canada and continue to threaten India’s sovereignty and territorial integrity.”

Monday’s announcement surprised foreign-policy analysts in Canada, and is likely to darken relations between two countries with traditionally strong ties. There are roughly 770,000 Sikhs in Canada, according to Canadian government statistics.

In June, Hardeep Singh Nijjar, president of a Sikh temple in Surrey, British Columbia, was shot dead in his pickup truck in the temple’s parking lot. Nijjar, 45, was a plumber who arrived in Canada in 1997. Local media reports following the June 18 shooting said crowds gathered at the temple and chanted in Punjabi, “Long live Khalistan.” Nijjar was known as a Khalistan supporter.

—Vipal Monga and Bob Mackin contributed to this article.

China’s Top Envoy Arrives In Russia For Talks

By SHA HUA

SINGAPORE—China’s top diplomat began a four-day visit to Russia after a surprise stopover in Malta for weekend talks with White House officials, as Beijing lays the groundwork for separate meetings between Chinese leader Xi Jinping and his U.S. and Russian counterparts.

Russia’s Vladimir Putin is expected to visit China in October—his first trip abroad since the International Criminal Court in March issued an arrest warrant over his role in the forced deportation of children from Russian-occupied areas of Ukraine. Anticipation is growing that Xi and President Biden could meet at the Asia-Pacific Economic Cooperation summit in San Francisco the following month.

Chinese Foreign Minister Wang Yi met with his counterpart Sergei Lavrov in Moscow on Monday, Russian state media outlet TASS reported, and will take part in security talks with Nikolai Patrushev, secretary of the Security Council of Russia.

The trip follows on the heels of several meetings with White House national security adviser Jake Sullivan in Malta this past weekend.

It also comes as Secretary of State Antony Blinken met with Chinese Vice President Han Zheng on Monday on the sidelines of the United Nations General Assembly in New York, where both sides called for stability in the strained bilateral relationship of the two countries.

The Malta talks came after Wang and Sullivan held a secret meeting in Vienna in May. That meeting followed months of tensions over a suspected Chinese surveillance balloon that drifted across the U.S., derailing plans by Blinken to visit China in February.

Gen. Mark Milley, chairman of the Joint Chiefs of Staff, told CBS on Sunday that the U.S. intelligence community assessed that “there was no intelligence collection by that balloon.”

The Vienna talks helped set the stage for the revival of high-level contacts that unfolded over the summer with the Beijing visits by Blinken, Treasury Secretary Janet Yellen, special climate envoy John Kerry and Commerce Secretary Gina Raimondo despite criticisms from Republican lawmakers, who say Biden appears to be making concessions without any response in kind from China.

“Beijing should recognize that the Biden administration is continuing efforts to remain engaged with China despite domestic pushback,” said Paul Haenle, a China expert at the Carnegie Endowment for International Peace.

The Malta meetings covered an array of topics, including Ukraine as well as other global security issues, both sides said. Sullivan stressed the importance of peace and stability across the Taiwan Strait, the U.S. said. The Chinese readout said Wang had warned that Taiwan, the self-ruled island China claims as its own territory, is the “first insurmountable red line of Sino-U.S. relations.”

China sent more than 100 warplanes on sorties near Taiwan between Sunday and Monday mornings, a recent high for such flights, Taiwan’s Ministry of National Defense said, with 40 of those entering the Taiwanese air-defense identification zone. Nine Chinese naval vessels were also detected in nearby waters, it said.

Both sides also noted that they intended to expand high-level engagement in the coming months.

A senior Biden administration official said during a background briefing with reporters on Sunday that China had offered some indications, albeit limited, that it was willing to reopen some military-to-military communication channels for de-escalating conflicts between the two powers.

—Gordon Lubold and Joyu Wang contributed to this article.

Ukraine Faces Cash Crunch as War Costs Mount

By MATT WIRZ AND ALEXANDER SAEEDY

War in Ukraine is cruel, but also expensive.

The counteroffensive aimed at driving Russian occupiers from its southern region has bogged down. Faced with another year of fighting—and a budget deficit of more than \$40 billion in 2024—finance officials in Kyiv are grasping for cash to keep the economy running.

Some of the efforts are straightforward: selling war bonds to corporations and individuals, lobbying for international aid and restructuring existing debts. Others are Byzantine, such as taxing financial intermediaries like Euroclear that benefit from frozen Russian assets, or using complex structures to raise money from international bond investors.

“If the government cannot cover its budgetary gaps, then the government will not be able to finance its military effort,” said Vitaliy Vavryshchuk, head of macroeconomic research at Kyiv-based brokerage firm ICU.

ICU this week is launching a program in consultation with the government to remotely sell Ukrainian government bonds to individuals abroad, especially in Western Europe. Still, the potential investments would likely be a drop in the bucket Kyiv needs to fill.

There is also a long-shot option: getting admission into the European Union, which could give Ukraine access to hundreds of billions of euros in subsidies and infrastructure financing.

Ukraine’s economy stabilized somewhat this year, and the government has raised its 2023 growth forecast to 4% from 1%, according to research by ICU. That has sparked a sharp rise in prices of its international bonds since June. Nevertheless, economic activity will likely end the year about 25% below prewar levels, according to research by ICU. International bonds traded around 29 cents on the dollar this past week, accord-



Ukrainian soldiers participate in exercises near Bakhmut. The military is burning through 90,000 artillery shells a month.

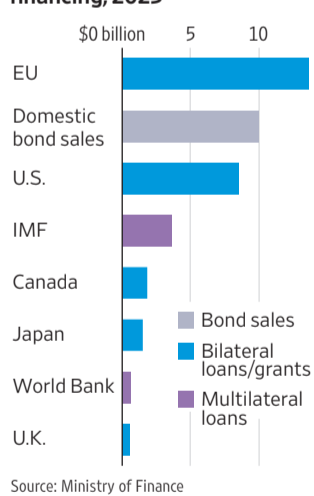
ing to MarketAxess.

The military is burning through 90,000 artillery shells a month, and Parliament will soon vote on a third increase of defense outlays, raising projected spending this year to \$40 billion from \$30 billion. Last week, the finance ministry said it plans to lift security spending to \$45 billion next year.

Most Ukrainian arms purchases are bankrolled by Europe and the U.S. But it is unclear how long that support will last, especially if a Republican takes the White House next year. U.S. aid will be even harder to get when the war ends, but Ukraine will still need to spend on defense.

“If we win the war within a year, Russia is still our biggest fear,” said Yuriy Butsa, head of public-debt management in Ukraine’s Finance Ministry. “How do you price the risk that Russia attacks again?”

Ukraine external budget financing, 2023



Ukraine is turbocharging its domestic bond market. The government borrowed \$10 billion through local bond sales this year, exceeding the \$8.5 billion it has gotten in U.S. aid.

Early in the war, the central bank bought most new government bonds to stabilize Ukraine’s economy. Now the private sector is driving growth, drawn by inflation-adjusted yields around 10%. Banks, companies and individuals increased Ukraine treasury-bond ownership by \$3 billion this year, while central-bank holdings fell by about \$400 million, the finance ministry said.

Kyiv-based property and casualty insurer ARX boosted government bondholdings to about 75% of the \$80 million it invests this year, compared with 60% before the war, said Konstantin Lykhytsky, director of treasury and investments. “We want to buy more to support the government and the army and to lock in the attractive yields.”

Ukraine will need far more money to rebuild from the war—at least \$411 billion, ac-

ording to the World Bank.

If Ukraine joined the EU, it could receive hundreds of billions of dollars through development grants, agricultural subsidies and other assistance. Countries such as Poland, Hungary and the Czech Republic joined the bloc almost 20 years ago, with major benefits to their economies.

For now, Butsa and other officials are taking a patchwork approach to plugging budget holes.

International bondholders, including MFS Investment Management, BlackRock and Fidelity Investments, agreed last year to give Ukraine a payment holiday on about \$20 billion of debt until mid-2024. The Finance Ministry hopes to restructure the bonds further next year, which requires asking reluctant investors to forgive some of the debt and swap the rest into new securities.

What to Watch at the U.N. General Assembly

By WILLIAM MAULDIN

World leaders are gathering to take part in the United Nations General Assembly’s “high-level week,” the year’s biggest conclave of heads of state, government leaders and diplomats.

President Biden is attending, as is Ukrainian President Volodymyr Zelensky, who appeared only virtually last year. Leaders of some other powers aren’t coming and won’t be speaking.

From climate change to the war in Ukraine, here is what we are following:

Key meetings for Biden

Biden is set to speak Tuesday on using American leadership to solve the world’s problems, White House national

security adviser Jake Sullivan said.

On Wednesday, Biden will meet Prime Minister Benjamin Netanyahu for the first time since the Israeli politician returned to power nine months ago. The two are likely to discuss their joint goals of an Israeli-Saudi normalization deal and efforts to curb Iran’s nuclear program. Another topic is the effort by Netanyahu’s government to overhaul his country’s judicial system, a campaign Biden has called divisive.

On the sidelines of the General Assembly, Biden will join the presidents of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan in the first summit of a relatively new group known as the C5+1, Sullivan said. Some of those

countries have sought to diversify their diplomatic and economic partnerships in the face of Russia’s regional aggression and China’s crackdown on its Muslim minority.

Biden will meet Zelensky on Thursday in Washington, where the Ukrainian president is expected to ask for additional aid and more steps to isolate Moscow.

Leading no-shows

Russian President Vladimir Putin and Chinese leader Xi Jinping aren’t expected to attend. Putin will be represented by Foreign Minister Sergei Lavrov. Beijing will be represented by Vice President Han Zheng, a little-known figure on the international stage. Also absent will be U.K.

Prime Minister Rishi Sunak, French President Emmanuel Macron, and Saudi Crown Prince Mohammed bin Salman, officials say.

European Union leaders are attending in force.

War in Ukraine

Russia’s war against Ukraine will be on the agenda through the week, including debate over how to end the conflict and discussion of the war’s impact on grain markets and food security.

Sullivan said the U.S. had “built a strong engagement in dialogue with the Global South on what ultimately a just peace looks like.”

The U.N. Security Council is set to meet on Ukraine on Wednesday.

Iran

Iran President Ebrahim Raisi is set to speak on Tuesday in New York, and opponents of the Islamic regime have said they would protest.

Tensions between the U.S. and Iran have eased with the release of five American detainees and Tehran’s move to slow the pace at which it is building up its stores of near-weapons-grade enriched uranium.

Meanwhile, the U.S. has sent combat aircraft, ships and Marines to the Persian Gulf to dissuade Iranian forces from trying to seize oil tankers.

The big question is whether Iran and European officials will decide to resume diplomacy over Iran’s nuclear program.

WORLD NEWS

Controversies Shadow Netanyahu-Musk Talk

Prime minister faces questions on judicial revamp; X owner over antisemitism on site

By DOV LIEBER

FREMONT, Calif.—Israeli Prime Minister Benjamin Netanyahu and X Corp. owner Elon Musk met in northern California on Monday, a chance for each to address recent public controversies amid a broader conversation about artificial intelligence.

Musk addressed his continuing battle with an Ameri-

can Jewish group over accusations about antisemitic content on X, the renamed Twitter, and Netanyahu talked about his judicial overhaul plans, which have sparked mass protests in Israel.

Musk has been in a row with the Anti-Defamation League, a Jewish civil-rights organization, which has accused the X owner of allowing antisemitic and other hate speech to proliferate on the social-media platform.

“I hope you find it within the confines of the First Amendment to stop not only antisemitism, or roll it back as best as you can, but any col-

lective hatred of a people that antisemitism represents,” Netanyahu said to Musk. “I know you’re committed to that. I hope you succeed.”

“I’m sort of against attacking any group. Doesn’t matter who it is. I’m in favor of that which furthers civilization and which ultimately leads us to become a spacefaring civilization,” Musk said.

“We can’t do that if there’s a lot of infighting, hatred and negativity. So obviously I’m against antisemitism. I’m against really anything that promotes hate and conflict,” he said.

Jonathan Greenblatt, CEO of the ADL, said he appreci-

ated Netanyahu for raising concerns of antisemitism on X. “We hope that Mr. Musk takes Mr. Netanyahu’s concerns seriously so that X/Twitter can become a safer and more welcome place for all,” Greenblatt said.

Some in the Jewish community criticized Netanyahu’s decision to meet with Musk amid his battle with the ADL.

“Choosing to pal around with Elon Musk at a time when antisemitism runs rampant on X not only sends the wrong message to Jews around the world, but puts them at risk,” said Yizhar Hess, vice chairman of the

World Zionist Organization.

“Today’s talk served at the very least to legitimize inaction,” he said.

Musk told the Israeli leader he saw protesters outside the Tesla factory where their conversation took place and said he “probably got the most amount of pushback from people at Tesla about this interview than anything else I’ve ever done.” Musk is Tesla’s chief executive.

Netanyahu faces intense criticism in Israel over his controversial plans to overhaul his country’s judicial system. He declared that Israel “will always be a democratic country” and

that he is currently trying to find the right balance of powers between the three branches of government after Israel’s court assumed more powers for itself three decades ago.

Netanyahu said he believed the original judicial overhaul proposal, which would have given coalition lawmakers the power to unilaterally appoint judges and override the supreme court, “was bad,” and would have created more imbalance in the system. He said he now is seeking a broad consensus change on how judges are chosen.

—Alexa Corse contributed to this article.

Quest for Howitzers Boosts South Korean Arms Makers

By DASL YOON

CHANGWON, South Korea—On a recent afternoon in a South Korean factory, robots assembled bulletproof plates and workers drilled steel parts onto dozens of 47-ton howitzers destined for Poland. Outside the factory in the southern coastal city of Changwon, howitzers destined for Estonia rumbled through a testing area.

The 155mm K9 self-propelled howitzer is at the center of South Korea’s unlikely rise as a weapons exporter. Manufactured by Hanwha Aerospace, it is the country’s bestselling weapon. Demand for howitzers and other weapons made in South Korea has been turbocharged as Russia’s invasion of Ukraine has turned into a grinding land war.

The U.S. and its allies have sent Ukraine much of their supplies of artillery and munitions, and they have realized their arms industries are ill prepared to quickly replenish them. That is where South Korea has come in.

While Seoul has declined to supply lethal weapons directly to Ukraine, the country has been willing to replenish the supplies of the U.S. and its allies—and it has shown it can often do so on shorter timelines and at lower costs than many Western competitors.

The war has transformed South Korea’s arms industry into the world’s fastest-growing arms exporter, with its sales more than doubling in 2022.

Hanwha is now preparing to sell many more howitzers. The company is doubling its capacity to produce them, said Choi Dong-bin, a general manager at Hanwha Aerospace’s Changwon plant who has been at the company for three decades.



Hanwha Aerospace produces the 155mm K9 self-propelled howitzer, which has become the country’s bestselling weapon.

Years of steady investments in its manufacturing processes have laid the groundwork for the expansion, he said.

Following the Cold War, many North Atlantic Treaty Organization countries reset the priorities of their arms industries. European nations shrank their defense budgets. Their inventories of tanks and heavy artillery shriveled under the assumption that a large-scale land war involving a major military power was unlikely.

They got rid of vast warehouses as well as excess production capacity, and stopped sourcing many of the materials needed to mass-produce

munitions. The lack of resources needed now spans from chemicals and electricity to personnel, said Nicholas Marsh, a senior researcher specializing in arms control and military aid at the Peace Research Institute Oslo.

“When people think about defense production, they tend to think of massive factories with tens of thousands of workers, while now you’re looking at something that’s more like the production of racing cars—very high-tech and very low production numbers,” Marsh said. “It could take years to ramp up production of weapons we haven’t

been mass producing.”

When Russia invaded Ukraine, few expected the drawn-out conflict that has ensued. Ukraine has proven capable of pushing back Moscow’s forces in many parts of the country.

Russia and Ukraine are burning through ammunition faster than they can produce it. U.S. officials said North Korea could have advanced arms sales to Russia during Kim Jong Un’s meeting with President Vladimir Putin on Wednesday. Ukraine has struggled in its counteroffensive, and made repeated pleas to its Western allies for howit-

zers and long-range rocket launchers that are needed to take out enemy targets from a protected distance.

The 155mm howitzer round is now the most requested munition for the war in Ukraine. South Korea supplied the U.S. with hundreds of thousands of 155mm artillery rounds after Washington sent much of its supplies to Ukraine.

The U.S. first produced a 155mm howitzer in the 1940s, and deployed it during World War II, the Korean War and the Vietnam War. The howitzer—a piece of artillery that fires explosive shells—has evolved over the years, in-

creasing in accuracy and range. The K9 self-propelled howitzers can travel more than 40 miles an hour and are fitted with steel armored plates, making them resemble tanks.

Aided by drones that identify enemy targets, the howitzers supplied by the U.S. and Europe have significantly boosted Ukraine’s firepower. The self-propelled artillery used in the Ukraine war have longer barrels that give them greater range and a higher rate of fire than lighter artillery that are towed behind trucks.

South Korea’s K9 howitzer isn’t considered to be as advanced as Germany’s PzH 2000, which has a faster launch speed and is able to load more ammunition at once. Yet countries such as Poland, Norway and Estonia have turned to South Korea’s K9 howitzers after giving their existing howitzers to Kyiv because they are roughly half the price and delivered within months instead of years.

South Korea is still small when compared with the world’s biggest weapons suppliers, accounting for just 2.4% of global arms exports. While the U.S. accounts for around 60% of pending combat aircraft orders globally, South Korea has the most orders of tanks and artillery among the world’s top 10 arms exporters, which includes China, Russia, France and Germany, according to the Stockholm International Peace Research Institute’s Arms Transfers Database.

Watch a Video

Scan this code for a video on the South Korean factory arming NATO.

Seoul Still Weighs Nuclear Weapons

By DASL YOON AND TIMOTHY W. MARTIN

SEOUL—South Korea swore off nuclear weapons in a recent pact with the U.S., but the deal may have just put a temporary pause on the debate in Seoul.

South Korea is surrounded by nuclear powers, and many among the public and in the elite political class are still in favor of the country developing its own nuclear weapons.

President Yoon Suk Yeol signed the pact, but one of the most prominent voices supporting nuclear weapons for South Korea comes from his own ruling party: Seoul Mayor Oh Se-hoon.

“Only nukes can counter nukes,” Oh said in an interview.

The 62-year-old said the regional security threat is so high that it justifies triggering Article X of the Nuclear Non-proliferation Treaty, which South Korea signed nearly five decades ago.

Despite U.S. assurances of protection, South Korea is surrounded by three nuclear-armed nations—China, Russia and North Korea. Those countries could pursue joint naval drills, Seoul’s spy agency has told lawmakers. North Korean leader Kim Jong Un and Russian President Vladimir Putin met in Russia recently, discussing ways to bolster ties and thwart the U.S.-led global order.

The open discourse by South Korea’s political elite crosses the partisan spectrum and has emerged anew in recent years. That, in large part,



Seoul Mayor Oh Se-hoon calls for South Korean armament.

reflects broad public backing for a nuclear program: A strong majority of South Koreans have supported the notion for a decade.

Oh, a former attorney who began his second stint as mayor in 2021, isn’t alone among leading South Korean politicians calling for South Korean armament. They argue that relying on Washington’s nuclear umbrella isn’t enough.

Conservative lawmakers gathered at a conference earlier this year and discussed the prospect of South Korea’s nuclear development. Tae Yong-ho, a former senior North Korean diplomat who defected and is now a lawmaker in

South Korea, said nuclear anxieties haven’t gone away, and suggested developing nuclear weapons as a way to reduce the Kim regime’s threat.

Ruling party leader Kim Gi-hyeon consistently has said acquiring nuclear weapons is the only way to preserve peace on the Korean Peninsula.

The party’s interest in the topic rose after Yoon, who took office last year, said in January that South Korea could develop its own nuclear weapons or ask the U.S. to re-deploy them, rattling Washington officials. He dialed back the remarks a week later.

Three months later, Yoon met President Biden at the

White House, promising not to pursue a nuclear bomb. In exchange, Seoul won more frequent visits to the region by U.S. nuclear assets meant to deter Pyongyang, and greater consultation on potential American nuclear use in the event of a Kim regime attack.

Following the leader-to-leader pact, South Korean support for nuclear armament dropped to 60% this year, about a nine-percentage-point fall from the prior year, said a recent survey by Korea Institute for National Unification, a state-funded think tank in Seoul. Trust in the U.S. nuclear umbrella, which includes South Korea, rose to 75%.

A majority of both conservatives and liberals back South Korea going nuclear, according to polling by the Chicago Council on Global Affairs.

“To dismiss this as a fringe movement is a pretty serious mistake,” said Karl Friedhoff, one of the report’s authors and a fellow in public opinion and Asia policy at the organization.

Support for nuclear armament won’t go away, especially as the nuclear arsenals of Russia, China and North Korea raise concerns about South Korea’s ability to defend itself, said Shin Yul, a professor of political science at South Korea’s Myongji University.

Seoul has the technology, funds and nuclear power plants that can be used to build nuclear weapons, Oh said. Within a year, South Korea could develop nuclear weapons just like China or Russia, he added.

Emanuel Challenges Xi From Tokyo Perch

By PETER LANDERS

China’s Communist Party chief Xi Jinping doesn’t have to worry about opposition leaders at home criticizing his record. But not far away, a U.S. diplomat has seized that role for himself with barbed and sometimes sarcastic criticism.

Rahm Emanuel, Washington’s ambassador in Tokyo, is stepping up personal attacks on Xi, depicting the Chinese leader as an incompetent steward of the economy, a foreign-policy failure and a bumbling would-be Machiavellian whose government is a mess.

The latest jab on X, formerly Twitter, came Friday when Emanuel speculated with three question marks that Chinese Defense Minister Li Shangfu, who hasn’t been seen in public since Aug. 29, was missing meetings “because he was placed on house arrest???” Alluding to other top officials who have recently lost their jobs under mysterious circumstances, he added, “Might be getting crowded in there.”

U.S. officials said Li was being removed from his post.

A week earlier, Emanuel had been among the first outside China to publicly note Li’s disappearance. He said that Xi’s cabinet “is now resembling Agatha Christie’s novel ‘And Then There Were None’” and suggested that the unemployment rate of ministers might exceed that of China’s young people, which stood at

21% this summer before Beijing stopped disclosing the data.

A State Department spokesman declined to comment on Emanuel’s initial tweet beyond calling it colorful. Members of President Biden’s cabinet have sought in recent visits to Beijing to relax U.S.-China tensions. Commerce Secretary Gina Raimondo said in August in Beijing, “We believe a strong Chinese economy is a good thing” and “I see a wealth of opportunity for our two countries to work together to address our mutual interests.”

A former Democratic congressman, chief of staff to President Barack Obama and mayor of Chicago, the 63-year-old Emanuel has spent most of his career in the rough-and-tumble of politics, where attacking adversaries is part of the job.

But in diplomacy it is unusual to directly take on by name foreign leaders, even of adversarial countries, or use sarcasm and mockery to highlight another country’s domestic problems.

Lully Miura, a Tokyo political analyst who is also a frequent commentator on X, said she fears Emanuel is playing into Chinese hands by being drawn into a mudslinging match started by China’s diplomats. “You have to be aware of the risks that you might resemble the enemy. They are waiting for us to pick a fight that they chose.”

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WARNING:
In the fight to end smoking,
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PHILIP MORRIS
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Our mission is clear: to reduce smoking by replacing cigarettes with less harmful alternatives.



For decades, governments and organizations have done everything they can think of to discourage people from smoking. Restrictive regulations. Steep prices. Marketing bans. Public health campaigns.

And yet...worldwide, an estimated one billion people still smoke today.

Let's change that.

It's time to try a more inclusive and innovative approach that's been proven in several countries and has the potential to significantly accelerate a decline in smoking and associated diseases... and not by a little, by a lot.

For adults who would otherwise continue to smoke, switching to a smoke-free product is a pragmatic option that can have a positive impact on both individual and public health.

Let there be no mistake: People who have quit or never used tobacco or nicotine, especially minors, should not use these products. And there's no doubt that quitting altogether is the best choice.

But what about the millions of adult smokers who choose not to quit? Today, thanks to smoke-free products, these people have better options than continuing to smoke.

Because of these options, we can begin to imagine a future, a near future, when cigarettes are obsolete.

Since 2016, Philip Morris International has fully committed to moving away from cigarettes, the most harmful form of nicotine consumption. We have invested more than 10.5 billion U.S. dollars in developing and commercializing smoke-free products since 2008—which today account for over 35 percent of our total net revenues.

Today's environment and rhetoric make it easier for governments and regulators to do nothing on smoke-free alternatives. It's perceived as safer for political careers to abstain from the debate completely rather than be seen as siding with us.

But in the end, this is just prolonging the life of cigarettes and risks shortening the lives of those who use them. For smokers today, doing nothing is not a neutral position. It's a choice with real-world outcomes.

**Smoke-free alternative
adoption could lead to a
10X REDUCTION
in smoking-related deaths.¹**

Using third-party data, we've estimated that if the world's smokers switched to less harmful, smoke-free products, it could result in a 10-fold reduction in smoking-related deaths compared to historical measures alone.¹

This estimate begins to show the impact of not doing more. The human impact. But this is not just a hypothetical situation.

Look at public health data in Sweden, a country that today boasts one of the developed world's lowest smoking rates, at around 5 percent.

There, snus, a noncombustible form of moist tobacco that is placed between the lip and gums, is the most commonly used alternative to cigarettes. According to this data, mortality rates due to tobacco use in Sweden are much, much lower than in European Union countries where snus is banned.

We can also look at Japan, which has seen rapidly declining smoking rates since the introduction of heated tobacco products in 2014.

**Japan saw an
unprecedented
decline in
smoking rates**

since the introduction of
heated tobacco products.



Just like in Sweden, these noncombustible products are beginning to replace cigarettes. Five years after the products were introduced, the Japanese National Health and Nutrition Survey showed an unprecedented decline in the number of adults who smoke cigarettes. More recent studies show that the pace of decline has continued, and today only about 12 percent of Japanese adults smoke.

Despite all this evidence, the policy of inaction continues in many places—preventing less harmful products from replacing the cigarette.

My question is: Will governments that ban these products or treat them like cigarettes take responsibility for the consequences? Will society stand up and call out the organizations that are blocking progress?

Or will this insanity persist—leaving us with more of the same and millions of people needlessly continuing to smoke?

PAID ADVERTISEMENT

It is time to center every debate and every decision on the people who pay the price for this failure in regulation.

It's time to work toward a common goal of delivering effective policies that make cigarettes a historical artifact, collecting dust behind glass cases.

If we act now, in 10 years we could be saying, "Remember when people still smoked?"

We need to remember: Not making an evidence-based decision on smoke-free products today is a decision with consequences for tomorrow.



JACEK OLCZAK
Chief Executive Officer
Philip Morris International

The Facts

- There are still an estimated **1 billion smokers worldwide.**²
- Innovative smoke-free alternatives exist.
- Smoking will continue to be a global health crisis if we all don't act now.

¹ Compared to historical tobacco control measures alone. Hypothetical model is based on WHO and third-party data, estimates and methods, which assumes smoke-free products are around 80% less risky than cigarettes, that smokers switch to them completely, and is measured over their lifetime. This estimate has limitations. More details can be found at pmi.com/rethink

² WHO estimate

³ Swedish National Public Health Survey

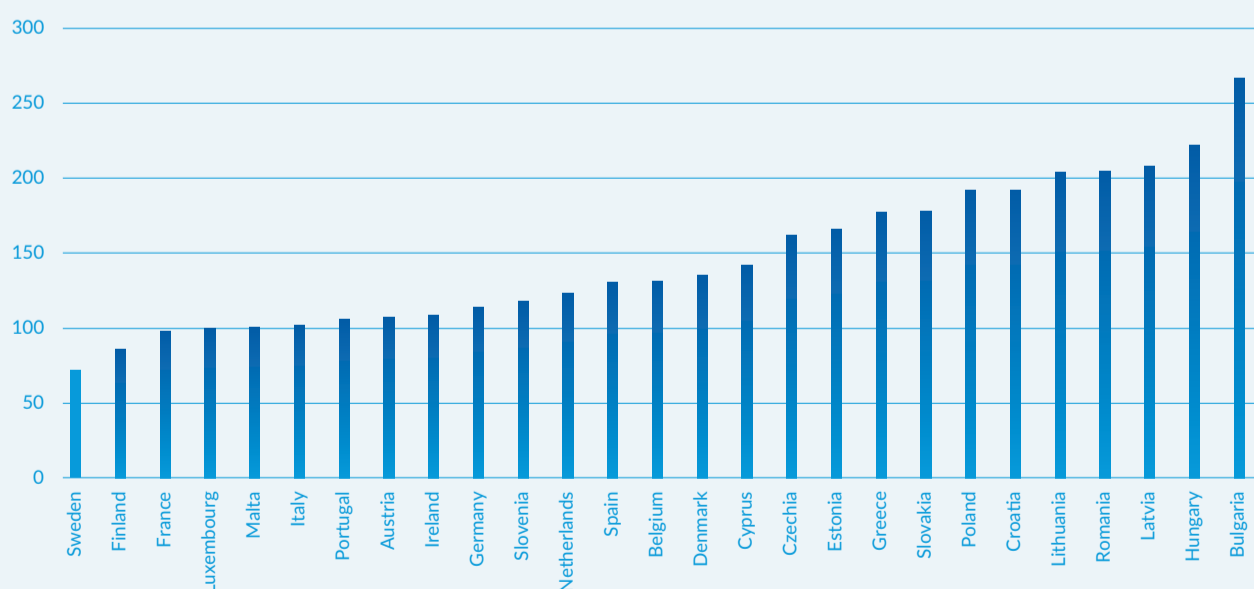
Some countries are solving the smoking crisis. What do they know that you don't?

By embracing smoke-free alternatives, Sweden now has the lowest male mortality rate due to tobacco compared to other EU countries. Why?

In 1992, when the EU banned this far less harmful smoke-free alternative to cigarettes, Sweden retained an exemption from this ban. This was in keeping with the country's historical support for this nicotine-containing better alternative, which has seen significant use among Swedish men since the 1970s.



Male deaths per 100,000 attributable to tobacco in the European Union, all causes, age-standardized (GBD, 2019)³

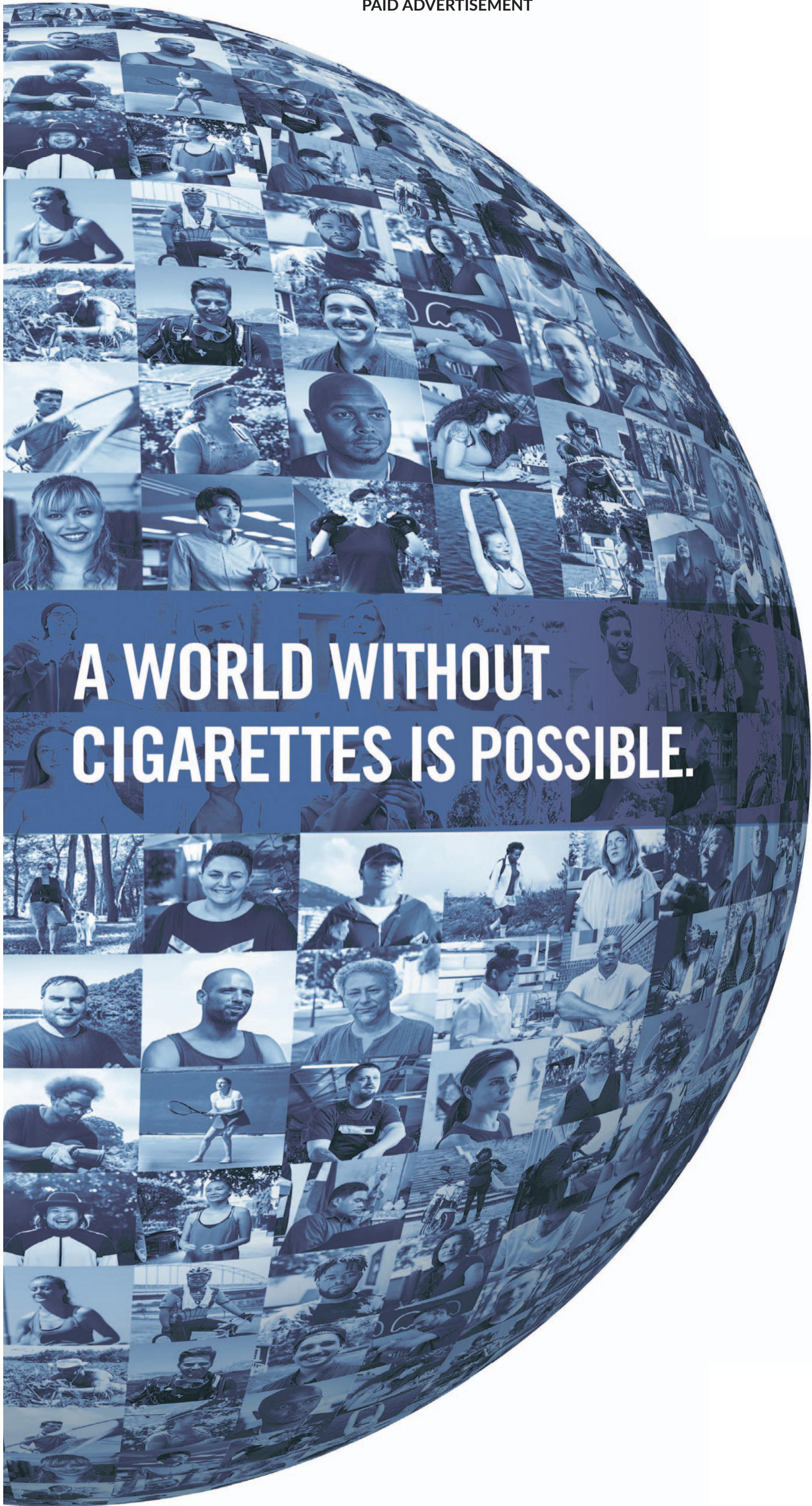


See the potential reduction in smoking-related deaths in other countries and find out more at PMI.com/Rethink



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**A WORLD WITHOUT
CIGARETTES IS POSSIBLE.**

**UNSMOKE
THE FUTURE**



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WORLD NEWS

Iran Frees Americans In Swap

Continued from Page One
sanctions don't prevent food, medicine, and other humanitarian goods and services from flowing to ordinary Iranians.

Iran's president said on the sidelines of the U.N. General Assembly Monday that the funds "belonged to the people of Iran and will be solely spent to address the needs of the people of Iran." He added, "Any step in fulfilling commitments can contribute to confidence building."

Meanwhile, the U.S. is imposing new sanctions on Iran's Ministry of Intelligence and former President Mahmoud Ahmadinejad "for their involvement in wrongful detentions," Biden said.

"This deal does not change our relationship with Iran in any way," a senior U.S. official said. "Iran is an adversary and a state sponsor of terrorism. We will hold them accountable wherever possible."

Republicans have condemned the decision to release the funds, warning that it creates an incentive for the U.S.'s adversaries to take hostages in the future.

Rep. Michael McCaul (R, Texas), the chairman of the House Foreign Relations Committee, said he was "immensely relieved" that the Americans were coming home. But he said: "Even though the Administration claims these funds are limited to humanitarian transactions, we all know that transactions are difficult to monitor and that money is fungible. There is no question this deal will free up funds for Iran's malign activities."

A senior administration official said, "The alternative is these Americans never come home."

Among those released are Siamak Namazi, who was arrested in October 2015 on a business trip to Iran on charges of cooperating with a hostile government; environ-



From left, Emad Shargi, Morad Tahbaz and Siamak Namazi, three of the freed Americans, disembarked in Qatar on Monday after leaving Iran. Below, Iranian President Ebrahim Raisi arrived in New York for the United Nations General Assembly.



mental Morad Tahbaz, who was jailed in 2018 and has served five years of a 10-year sentence after being convicted of spying; and businessman Emad Shargi, who was arrested in 2018 and sentenced without a trial in 2020 to 10

years in prison for espionage. All three are dual U.S. and Iranian nationals; Tahbaz also holds British nationality.

Two more people, including at least one woman, were also released, but have asked that their identities remain private.

Namazi's mother and Tahbaz's wife, who had been banned from leaving Iran, were also on the plane, administration officials said.

The group had been moved to house arrest from Tehran's Evin Prison, where the Islamic

Republic holds political prisoners, pending the transfer of the funds.

For years, U.S. officials have pressed for the release of the Americans, maintaining the charges against them were false and they were being

used as bargaining chips by the Iranian government.

Switzerland, which has represented U.S. diplomatic interests in Iran since Washington and Tehran cut ties shortly after the 1979 Islamic Revolution, has been involved in the negotiations, and Qatar and Oman also assisted, U.S. officials said.

The Biden administration has been trying to cool tensions with Tehran, which have soared this year. Iran has provided deadly drones to Russia for its war in Ukraine, pushed ahead with uranium enrichment and seized oil tankers in the Persian Gulf.

Officials said that these efforts were in parallel, but not linked, to efforts to restrain the pace of Iran's nuclear program. Under former President Donald Trump, the U.S. withdrew from a 2015 international nuclear pact that imposed limits on Tehran's nuclear activities in exchange for the removal of economic sanctions. Efforts to revive that accord during the Biden administration have failed.

The question remains whether Iran's release of the Americans will spur a broader accommodation between Tehran and the West on the nuclear front and in the region.

In recent months, Iran has slowed the rate at which it has amassed near-weapons-grade uranium. But fresh problems emerged on Saturday when the International Atomic Energy Agency reported that Tehran had barred some of the agency's inspectors from monitoring Iran's nuclear activities.

Meanwhile, Iranian-backed militias haven't carried out any attacks on U.S. forces in Iraq or Syria since March. But the U.S. has sent advanced F-35 planes along with other combat aircraft, ships and Marines to the Persian Gulf region to deter Iran from attempting to seize oil tankers.

Watch a Video

Scan this code to watch a video on the five Americans freed by Iran.

WORLDWATCH



RESILIENT: Students gather outside a makeshift school in an earthquake-hit village in central Morocco. Roughly 3,000 people were killed when a 6.8-magnitude temblor struck this month.

UKRAINE
Six Deputy Ministers Fired

Six Ukrainian deputy defense ministers were fired Monday following the dismissal two weeks ago of Defense Minister Oleksiy Reznikov in a corruption scandal, officials said, as heavy fighting against Russian forces continued in the east.

Moscow claimed to have struck key Ukrainian facilities in air attacks, hitting stores of Storm Shadow missiles and depleted uranium ammunition, as well as electronic intelligence centers and training facilities for Ukrainian military scouts.

The deputy defense ministers fired included Hanna Maliar, Vitalii Deyneha and Denys Sharapov, and the state secretary of the Defense Ministry, Kostiantyn Vashchenko, according to the Telegram account of Taras Melnychuk, permanent representative of the Cabinet of Ministers.

Melnychuk provided no explanation for the firings, but the government has been investigating accusations of corruption in the military related to purchasing equipment. Rustem Umerov, a Crimean Tatar lawmaker who took over as defense minister, didn't issue a statement.

—Associated Press

ETHIOPIA
War Claims Over 10,000 Sex Victims

U.N.-backed human rights experts say war crimes continue in Ethiopia despite a peace accord signed nearly a year ago to end a conflict that engulfed the country's northern Tigray region. The violence has left at least 10,000 people affected by rape and other sexual violence—mostly women and girls, they found.

They warned of "hallmark risks" that the violence could spread further, jeopardizing security more broadly in East Africa.

The experts' report, published Monday, comes against the backdrop of an uncertain future for the team of investigators who wrote it: The U.N. Human Rights Council is set to decide next month whether to extend the team's mandate amid efforts by the Ethiopian government of Prime Minister Abiy Ahmed to end it. The report cites atrocities by all sides, including mass killings, rape, starvation and destruction of schools and medical facilities.

Mohamed Chande Othman, chairman of the international commission of human rights experts on Ethiopia, said the situation remains "extremely grave."

—Associated Press

ITALY
Rules Approved for Migrant Detention


The Italian government approved new measures to crack down on migration Monday, after the southern island of Lampedusa was again overwhelmed by a wave of arrivals setting off from Tunisia and the migration issue returned to center stage in Europe with talk of a naval blockade.

The measures approved by the Cabinet focused on migrants who don't qualify for asylum and are slated to be repatriated to their home countries. The government extended the amount of time such people can be detained to the EU maximum of 18 months. It also plans to increase the number of detention centers to hold them.

Premier Giorgia Meloni announced the "extraordinary measures" after Lampedusa, which is closer to Tunisia in North Africa than the Italian mainland, was overwhelmed last week by nearly 7,000 migrants in a day, more than the island's resident population.

Meloni resurrected campaign calls for a naval blockade of North Africa to prevent human traffickers from launching their smuggling boats into the Mediterranean.

—Associated Press




BY NORTHERN DATA GROUP

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FROM PAGE ONE

New Crisis Threatens China

Continued from Page One
ing them less able to absorb the fallout from a large developer's failure.

China's economy is also sputtering on many fronts after a short-lived rebound from its post-Covid reopening earlier this year.

Economists predict the housing industry's problems will deal another big hit to consumer confidence and prolong what has already been a protracted property-sector downturn. Real estate and related industries contribute roughly a quarter of China's gross domestic product.

"The whole industry is in trouble," said Kenneth Rogoff, an economics professor at Harvard University, adding that the problems are particularly severe in smaller and medium-size cities. Years of overbuilding have resulted in a huge oversupply of homes, and there will need to be an adjustment in the property market, he added.

"How do you prevent the Chinese population from going into a panic mode since most of its wealth might collapse? It's not easy," Rogoff said.

Record loss

As of June 30, Country Garden was involved in more than 3,000 property projects encompassing millions of homes. It carried the equivalent of \$186 billion in liabilities, including homes it sold but hasn't delivered, money owed to suppliers, bank debt and bonds. Most of those obligations come due within a year.

The company reported a record first-half loss topping \$7 billion after writing down the value of some of its property developments and other assets.

Last month, the developer missed \$22.5 million in interest payments on two U.S. dollar bonds, but scraped together enough cash before the end of a 30-day grace period to avoid defaulting. Country Garden's creditors in mainland China granted it payment extensions on some of its yuan-denominated debt, helping the developer buy time to resolve its liquidity problems.

Country Garden's contracted sales of new homes in August fell 70% from a year earlier, to the equivalent of \$1.1 billion. Without a rebound in sales, the developer will likely slide into default, analysts say.

Country Garden was founded in the 1990s by Yeung Kwok Keung, 68 years old, who grew up in a family of eight siblings in a village in China's southern Guangdong province. A small house made of bricks, with tree trunks on top of the walls holding up a metal roof, sits at the company's headquarters—a life-size replica of its original office. A nearby



Workers leave a construction site for developer Country Garden in Tianjin last month. The company is now struggling to survive.

sign reads: "Without a strong China, today's Country Garden would not exist."

By the mid 2000s, the company was building residential projects that included townhouses, apartment buildings and mixed-use developments across the country. It also owned and operated hotels.

Yeung retired in March. His daughter, 41-year-old Yang Huiyan, is the company's chair.

Country Garden expanded over the years with a focus on smaller cities. Researchers group China's more than 600 cities into tiers based on their gross domestic product, population size and density, and other factors. The wealthiest cities, such as Beijing, Shanghai and Shenzhen, are in the first tier. Those in the fifth tier are considered the poorest.

Country Garden benefited from China's redevelopment program in lower-tier cities beginning in 2015, which gave residents new houses or cash to buy them. It also marketed and sold apartments in rural areas to people living in bigger, more expensive cities.

In 2016, the developer's contracted sales more than doubled, and they topped more than 500 billion yuan, equivalent to more than \$69 billion at current exchange rates, for each of the next five years.

Country Garden bought more than 3,000 plots of land over the past decade to build homes. They included parcels in all of China's third-tier cities, 86% of the country's fourth-tier cities, and 44% of its fifth-tier cities, according to an analysis of the developer's land sales records on Wind. Evergrande, in comparison, had land in roughly a third of China's fourth-tier cities and 12% of fifth-tier cities.

The company told investors that the projects it launched in lower-tier cities produced much higher returns on investment than those in wealthier cities.

cured a meeting between activists, officials and Oktoberfest tent owners in the spring.

"There's already a lot going on. But my perspective is from an organic local farming business, and there's not enough," said Susanne Kiehl, of the Munich Food Council.

She and Anja Berger, an Oktoberfest official and a Green Party member, said the changes are important to meet the city's goal of becoming climate-neutral by 2035.

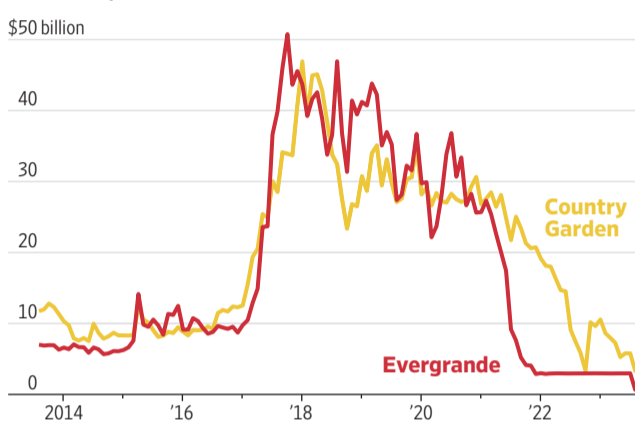
Berger's party this year also secured four free water fountains on festival grounds.

During a recent tour there, Mayor Dieter Reiter admired the new taps and joked of what might come next. "A free beer fountain!" he said. "I just haven't found anyone who will do it yet."

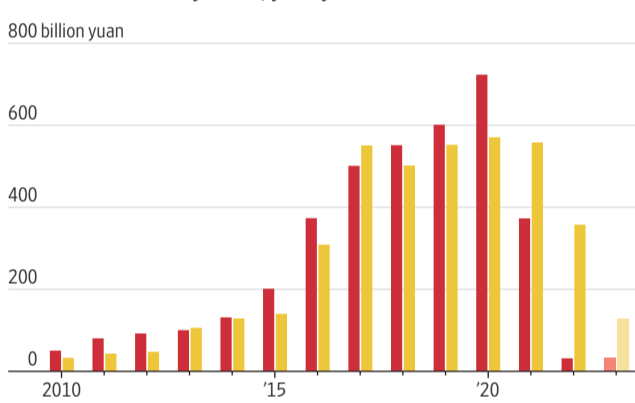
Activists have sought gastronomic mandates at the festival, but the city has not imposed them. An association of Munich's innkeepers have pushed back at such rules, saying people should be allowed to live—and eat—as they see fit. "I don't think anyone really wants a planned economy in which a small group decides what is good for the people and what is not," said Thomas Geppert, head of the Bavarian Hotel and Restaurant Association.

Schörghuber, a vegetarian, said she received mixed reaction to her chicken initiative from the other tents, with

Market capitalization*



Contracted sales by value, yearly†



*Monthly data; trading in Evergrande was suspended from March 21, 2022, to Aug. 25, 2023.
†2023 sales are from January to June; 100 billion yuan=\$14 billion
Sources: FactSet (market cap); the companies (sales)

In Shaoguan, a fourth-tier industrial city in China's southern Guangdong province with around 3.4 million people, Country Garden had four large residential developments that were among its top 100 projects nationwide last year. The biggest one was designed to have thousands of apartment units, a hotel, a few preschools and several clinics. A 1,500-square-foot three-bedroom apartment there was recently advertised for sale at just under \$100,000.

City and provincial governments that previously derived a large chunk of their revenues from land sales to Country Garden and other private de-

velopers are already feeling the pinch from a plunge in transactions.

Some weaker provinces and cities are struggling with heavy debt loads. In many poorer cities, people's incomes are lower and less stable, and local governments' budgets and finances are more stretched. Home sales and prices have declined more steeply in weaker parts of the country than in wealthy cities like Beijing and Shanghai.

"Country Garden was synonymous with China's mass-market housing and urbanization story," analysts from Barclays said in a note in September, adding that it didn't

have as much debt as Evergrande and was widely expected to survive the housing downturn. When the developer had trouble making debt payments last month, "it shook what little confidence remained in the market," they added.

"Chinese households no longer view housing as a safe investment," said Michelle Lam, a China economist at Société Générale. She said privately run developers currently account for one-third of China's total housing sales.

Crisis of confidence

In 2022, Evergrande's default set off a chain reaction in the housing market that brought down dozens of other developers, including Sunac China, one of the three largest private-sector players.

Investors and banks pulled back, and a crisis of confidence began to spread across the market. Early in the year, Country Garden was one of a small number of property companies that was still able to sell U.S. dollar debt. It said its financial position was strong, and expressed confidence that it could withstand the downturn.

As the country's property slump deepened, Chinese authorities in the middle of last year gave a boost to Country Garden and a few other privately run developers by helping them secure funding and backstopping their domestic bond sales. By autumn investors had turned bearish again, and Country Garden's bonds plunged to deeply distressed levels.

Country Garden and its units began to shed assets to raise cash, including selling shares in a mall in the city of Guangzhou to a restaurant chain famous for pickled fish dishes and selling its stake in the famous Guangzhou Asian Games City, a popular housing

complex built for the 2010 Asian Games, to a state-owned developer.

In late 2022, China came up with a new 16-point plan to rescuscitate the housing market. State-owned banks made commitments to supply ample credit to a group of "model developers," including Country Garden. Investors bid up its bond and stock prices, enabling the developer to raise money again in Hong Kong.

The country's reopening also gave nationwide housing sales a boost. They rose for a few months earlier this year, making Country Garden executives optimistic that the worst was over.

In April, Yang Huiyan, Country Garden's chair, said in the developer's annual report that she felt a "burden of responsibility" to steer the company through a transition in the property market from a rapid-growth phase to a period of stabilization.

The developer resumed buying land in public auctions. It turned out to be poorly timed. Home sales began slumping again that same month, and have continued to decline. Investors dumped the company's stocks and bonds.

Next steps

Last month, the developer told investors that there is uncertainty over its ability to continue as a going concern, but it isn't giving up. The company also said its priority is completing and delivering the homes it has presold. That could help free up cash currently locked in escrow accounts, enabling the money to be used to pay down debt.

Meanwhile, in mid-August, China Evergrande filed for chapter 15 bankruptcy in New York, edging closer to the finishing line of one of the world's largest and most complicated debt restructurings. Its shares resumed trading on Aug. 28 after being suspended since March 2022. They crashed 79% that day.

Chinese authorities have recently made it easier for people to buy homes in another attempt to boost sales. They broadened the definition of first-time home buyers, a category that comes with extra perks and subsidies, and lowered down-payment ratios on people's first and second home purchases.

That has brought potential home buyers back to property showrooms in Beijing, Shanghai and other top-tier cities. "At the end of this cycle, sales in big cities will stabilize and even rebound, but the best-case scenario for many small and medium-size cities is that their property sales don't deteriorate more," said Ting Lu, Nomura's chief China economist.

Even if Country Garden avoids defaulting, it will have to be significantly downsized, said Yao Yu, the founder of YY Rating, a Chinese credit research firm. He said that further sales declines are unavoidable. "The era of China's giant privately run developers is over," he said.

Oktoberfest Changes Cause Stir

Continued from Page One

"We don't know the taste because it costs too much to try," Koerner said.

Other guests said the chicken was worth the price. "I don't care at all," said Jake Williams, a 32-year-old guest. "I guess it is good if people care about the chickens."

The price hike is among other inflation-related mark-ups. The cost of a liter—or "mass"—of beer in most big tents increased this year by 6% to €14.50, according to a survey done by the city. That is after prices rose sharply last year following Russia's invasion of Ukraine. Oktoberfest was canceled in 2020 and 2021 because of the pandemic.

The menu shift follows a pressure campaign by a coalition, demanding that the Bavarian festival of hearty food and enormous beers should turn into a vehicle promoting organic farming.

The activists held a public exhibition in the city's central square showing a carousel of imitation bloody chicken heads to denounce industrial slaughtering. The group se-



Beer being served at the Paulaner tent on the opening day of Oktoberfest in Munich.

some concerned they would be pressured to follow suit.

For many visitors, locals and tourists, Oktoberfest is a freewheeling carnival—a chance to let loose and drink (often to excess) beer served by waitresses clad in revealing Dirndl dresses. Many guests also don the traditional Bavarian outfits and tie the ribbon of their aprons on a different side to indicate whether they are single or taken.

"It must stay a traditional volksfest, because otherwise it wouldn't be attractive," said Clemens Baumgärtner, a festival official and a member of

the conservative CSU. "If you talk about being woke on the other 340 days a year, nobody really listens to that. But if you talk about being woke on the Oktoberfest, you get lots of media attention."

The first Oktoberfest was celebrated in 1810 to commemorate a royal marriage and build support for the budding Bavarian monarchy. It was so popular it became an annual tradition, adding agricultural displays, vaudeville and eventually thrill rides. Despite its name, the festival now mostly takes place in September. Around seven mil-

lion people are expected to visit the Theresienwiese grounds in Munich during an 18-day run.

"Wiesn will have to change as it has changed always over the decades," said Lukas Bulka, who started working at an Oktoberfest tent as a teen and now runs the city's Beer and Oktoberfest Museum.

The festival already uses electricity generated from renewable sources, Baumgärtner said, and single-use dishes and utensils are banned.

An association of the 15 largest festival tents—which have seats for about 100,000

people—committed to becoming climate-neutral by 2028, mostly through projects that offset their energy use. Four tents, including the Paulaner venue, already meet the targets and built systems to recycle some wastewater.

But when it comes to farming practices, it isn't feasible to rely on only organic hops and barley for the roughly seven million liters of beer that will be consumed, Schörghuber said. Hofbräu, one of the six Oktoberfest breweries, estimated that the production and transportation of festival beer in 2019 created 66 metric tons of carbon dioxide. Munich has an organic brewery, Haderner, but it doesn't have a coveted slot at the festival.

Schörghuber said she focused on chicken because it is so sought after—the city estimated around 500,000 chickens were consumed at Oktoberfest in 2019—and a change was feasible. She found a farm in Austria that raised the organic birds and spent a year speaking with her staff about changes needed to grill larger than conventional hens.

Kiehl said while her group was happy with the Paulaner tent's chicken change, it would be more difficult to convince the public that the brewers should be forced to tweak their recipes.

"That's not an easy point in Munich," she said. "That's almost like religion."



TURNING POINTS
CLARE ANSBERRY

Being married to your best friend can lead to happier marriages and greater life satisfaction. It can also be a burden.

About half of married people and couples living together say their partner is their best friend, with men more likely to say so than women. Forty-eight percent of married women listed their spouse as their BF compared with 64% of men in a 2017 study.

Couples who are best friends say they work on it. They listen, share feelings, thoughts, affection and laughter, and explore new things together. But relying on one person to be your “everything”—partner, cheerleader, lover, counselor and playmate—can be too much, even for spousal superheroes.

“We’re adding being a best friend to the list of everything else a spouse is supposed to be,” says Joshua Coleman, a psychologist specializing in family dynamics.

He often hears from women, who tend to have richer social networks, “I wish my husband had more friends.”

It’s useful to have a different confidant to listen and give objective advice when you are worried about things at home. Likewise, you can be deeply in love and have a healthy relationship, and still want to go shopping, to a baseball game, or out for a beer with a best friend from work or high school.

Bill Gittere, of Ely, Nev., counts himself among the 40% of Americans without best friends. Bill, 59 years old, and his wife, Laurel, knew each other one year before getting married in the Las Vegas drive-through Little White Wedding Chapel 28 years ago. And while Bill says he fell in love at first sight, she wasn’t his best friend.

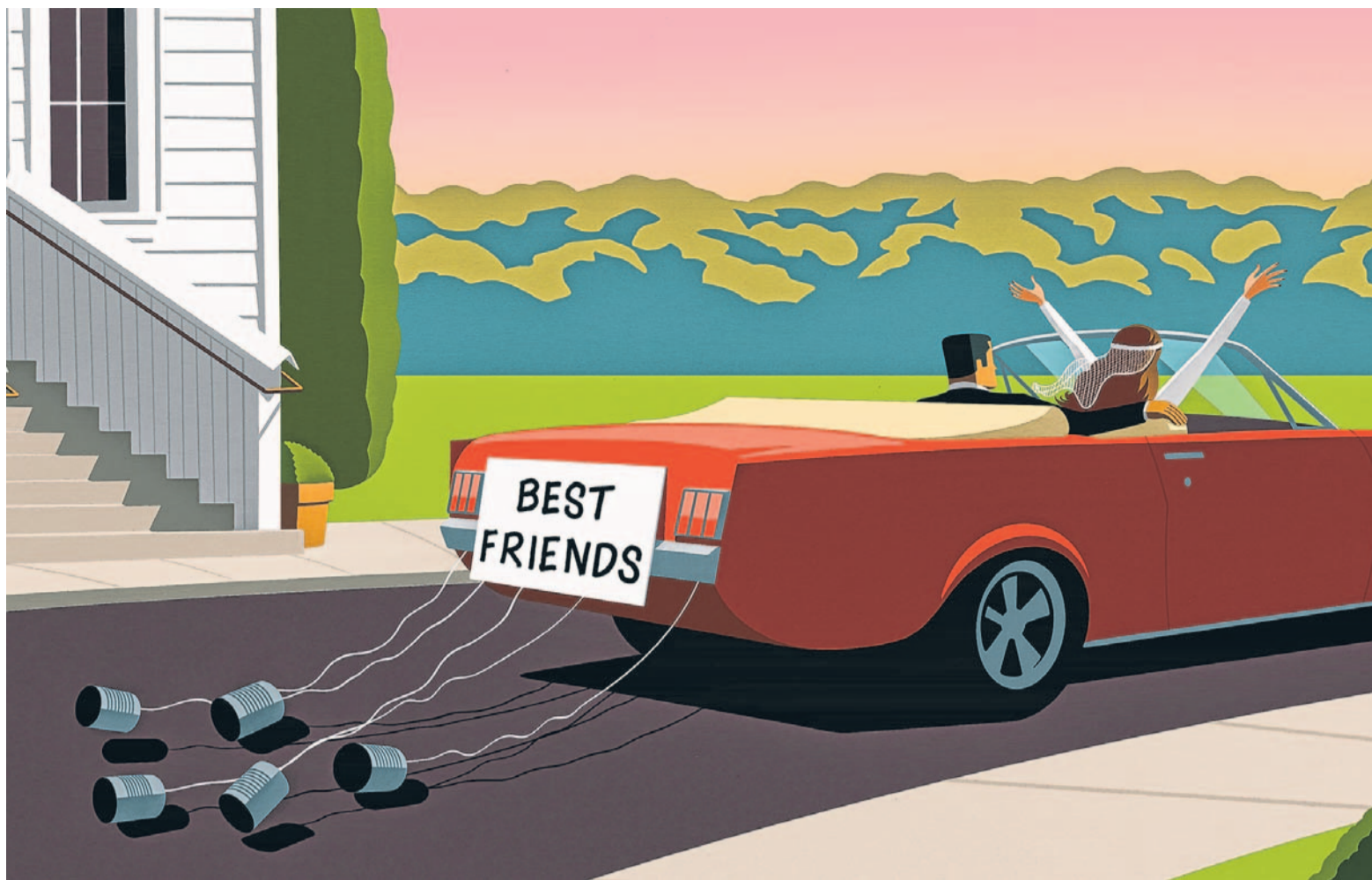
“We had to prove that to each other,” which for them meant living through military deployments, he says.

Laurel, 67, agrees. Both had been betrayed by former partners, and it took time to build trust and become best friends. One of the best things they did, she says, was talk about everything they wanted out of the relationship.

Now, Bill, a prison warden, says his favorite day is Saturday when he isn’t working. They shop and watch movies.

“It took me a while, both of us, to wrap our heads around the fact that you can be best friends and spouses at the same time,” he says.

Younger Americans Millennial couples often feel pressure to have their partner as their best friend, says Liz Higgins,



When Your Spouse Is Your BF

Many of us count our spouse as our best friend, but it’s also good to have outside confidants



▲ Millie Helliwell calls John, her husband, her best friend, yet she works to maintain her friendships.

founder of Millennial Life Counseling and herself a millennial married to her best friend. Some in their late 20s and early 30s saw their own parents divorce or remain in unhappy marriages. They want to avoid that—and think having a best-friend partner will help. If that’s the goal, she says, they need to focus on what it means to be a best friend and work on that with their partner.

One key is remaining curious and exploring new things together.

“You hit a dead end when you think you know everything there



▲ Bill Gittere says he didn’t have a best friend until he met and married his wife, Laurel.

is about your partner,” she says.

It is also important to realize that marriage is a journey, and there are times you feel like your partner is your best friend and times you don’t, she says. That doesn’t mean you’re with the wrong person.

John Helliwell, a Canadian economist who researches happiness and co-wrote the 2017 study on marriage and friendship, says being best friends with your spouse increases some of the well-being benefits that come with marriage, such as life satisfaction.

Helliwell and his wife, Millie, weren’t best friends when they married in 1969.

“We were smitten and deeply attracted to each other,” says John, 86. “You don’t really know each other when you get started.”

Millie, 82, calls John her best friend, yet also works to maintain friendships outside their marriage. This has helped during

John’s career and several moves, as well as other times of need.

After losing a grandchild, she and John consoled each other. Still the hurt was so deep that she reached out to other friends who could listen without experiencing the pain. “I needed to get it off my chest and not put it on his chest,” she says.

Business partners

Maria and Kirsten Palladino married 14 years ago. They run a business from their home, Equally Wed, and have twin boys.

They love each other and talk for hours without running out of things to say. If asked to name best friends, though, they would

list other high-school and grade-school friends. “I’m quick to call high-school friends my best friends,” says Maria, 44.

They wouldn’t apply that term to their relationship. Kirsten, 45, notes that gay couples have long been described as just “good friends.” “People would say, ‘That’s Uncle Larry’s very good friend,’ or ‘Dolores and Mary never married but they have each other. Isn’t their friendship special?’” says Kirsten.

“We’re much more than good friends. I’m always hesitant to use language that was once used to disparage our community.”

Rachel Collins, 42, of Bonney Lake, Wash., has two best friends. Her best friendship with Jen Corp was profiled in a 2019 Wall Street Journal article.

Her husband, who is Jen’s brother, has become her second best friend, their connection deepening in the course of their 14 years together. Each relationship is different, “but both can be your best friends,” she says.

Rachel’s husband, Josh Collins, 38, says he didn’t have a best friend before Rachel. He has a group of three close friends from church. He trusts them and can ask their advice, yet believes he can have only one best friend in life: “That would solely be Rachel.”

iOS Update Improves Calls and Messages



PERSONAL TECHNOLOGY
JOANNA STERN

If you don’t pick up when I call, I’ll know exactly why: You saw my new calling card pop up on your iPhone’s screen and hated the color scheme. I *knew* I should have dialed down the turquoise by 5%.

If you don’t want to customize your own calling card (“contact poster” in Apple lingo) in iOS 17, you don’t have to. Pretty much the only new feature you *need* to use is the improved autocorrect. But when you get the update—released on Monday for iPhone models going back to XS and XR—you’ll see others that you’ll *want* to use.

Forget self-driving cars, iPhones can finally set multiple timers!

This continues to be Apple’s iOS mantra: No drastic changes, just small improvements. This year, Tim Cook & Co. are putting the *phone* back in smartphone. From live voicemail to FaceTime video messages, there are lots of new enhancements for those who use their phones to make actual calls.

My annual advice remains the same: Walk, don’t run, to upgrade. It’s good to hold off a few days to let Apple iron out lingering bugs. I have continued to see several throughout my beta testing this year. When you’re ready, go to Settings > General > Software Update.

Communications stuff

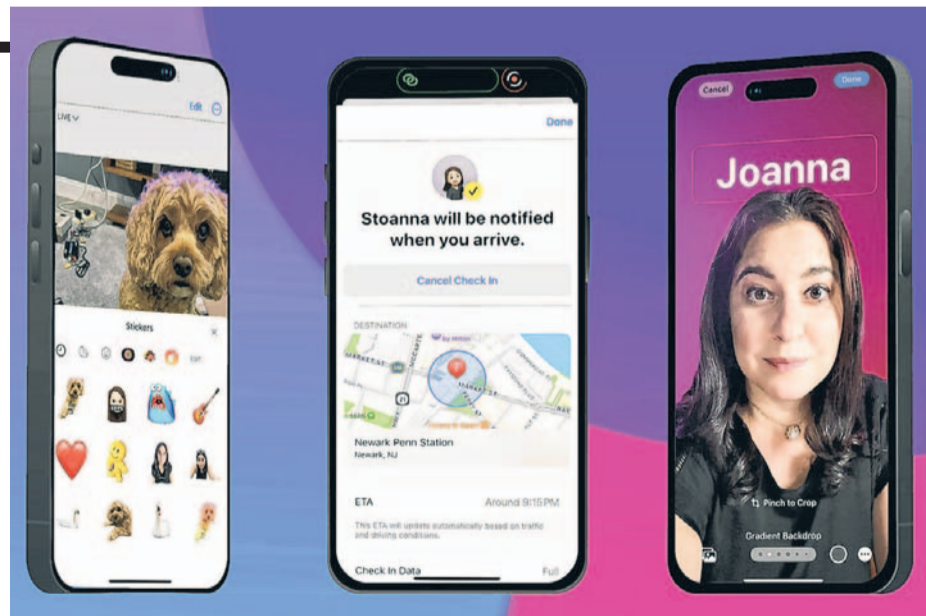
Scattered around the operating system are enhancements to connect via voice and video with your peeps. **Contact Posters:** Put your best face forward—literally—on the screen that appears on others’ devices when you call, FaceTime, message or AirDrop.

Tap Edit in the top-left corner of FaceTime or Messages or the Phone app’s Recents page. Tap your name and photo and then tap Edit again. Now you should be able to customize your current poster or add an entirely new one.

Live Voicemail: A wise tech columnist recently said “voicemail is back.” As soon as someone begins leaving a voice message, you’ll see a live transcription on your lock screen. Just like the good ol’ days of call screening with an answering machine, you can even pick up midmessage.

FaceMails: That’s my name for it, but what else do you call a FaceTime video message? When the person you want to video-chat with doesn’t pick up, hit Record Video and leave a message. Not happy with your double chin? Hit Retake to rerecord before you send it off. The receiver will get the message in their FaceTime app.

NameDrop: Instead of exchanging business cards or awkwardly asking someone to type their number into your phone, just bump phones together! When two phones running iOS 17 are held next to each other, they connect—signaled by a trippy



▲ Apple’s iOS 17 includes custom stickers and a new way to check in.

animation and sound—so you can wirelessly transfer contact posters. If you don’t want to share all your info, you can select the phone number or email address to transmit.

This same trick works for AirDropping images, websites and other files. If there’s one thing you’ve got to try, it’s that. I hope it works for you—it’s been a little hit-or-miss in my testing so far.

Messaging stuff

In the Messages app you can now swipe right on a message to quickly reply to it, play audio messages back at twice the speed and view a transcription of the audio.

Message Search: There are now deeper filters so you can search for a keyword in a specific conversation. Pro tip: Search the name of the contact—say, Clark Griswold—then tap the line that says “Messages with: Clark Griswold.”

Check In: This is a new way to let a friend or family member know you arrived at your destination. Tap the + button in a message to a person or group. Then hit More, then Check In. Enter the destination and your transportation. When you arrive, the contacts will be notified you’ve made it.

Autocorrect stuff

Apple has improved the language model powering autocorrect so it can better learn from your typing habits and fix grammar.

A grayish blue underline appears under corrected words and phrases so you know what’s been changed. Tapping on it shows the original text so you can revert without re-typing. Apple has also improved predictive text so it may suggest next words in gray as you type.

Is it perfect? No, but at least you’ll appreciate that a certain profanity no longer autocorrects to duck.

Fun stuff

Custom Stickers: In the Photos app,

hold down on an object in a photo. When you see the glowing outline, you should see a pop-up that says “Add Sticker.” Tap that and the image appears in the sticker drawer.

StandBy Mode: When your iPhone is locked, charging, horizontal and not lying flat, StandBy turns your device into a fancy digital clock.

Missing stuff

And now the annual tradition: The List

of Stuff Apple Isn’t Done With. Though announced in June, the new Journal day-logging app isn’t part of the software yet. The ability to choose any sticker when you tap-back on a message? Also not ready. Apple says to expect those later this year.

Then there’s the stuff that Apple hasn’t fixed. Siri is still limited and frequently points to web results. The Wallet app is still a pile of hard-to-sort cards. And iPhone thieves can still change your Apple account password using just the passcode.

But, hey, at least we can now set timers for the chicken *and* the pasta! In fact, there seems to be no limit to how many timers you can set. I gave up after 50.

Watch a Video



Scan this code to watch Joanna Stern’s 17 tips and tricks for the newest iPhone software update.

PERSONAL JOURNAL.

Elite Athletes' Therapies Go Mainstream

Longevity researchers look at cutting-edge treatments to improve health and wellness among the general population

BY JEN MURPHY

Infrared light waves. Electromagnetic fields. Extreme cold therapy. Treatments popular among elite athletes are now influencing the science of extending life and health.

In June, Mass General Brigham healthcare system opened a 20,000-square-foot laboratory and training facility in Foxborough, Mass., devoted to sports-performance research. It includes a cryostimulation chamber with temperatures as low as minus-220 degrees Fahrenheit and a device known as a photobiomodulation bed for light therapy.

"Medical experts are looking to training strategies of high-performance athletes to source ideas to improve healthspan," says Dr. Sawalla Guseh, a sports cardiologist at Mass General Brigham in Boston, referring to the number of years someone is healthy, without chronic and debilitating disease.

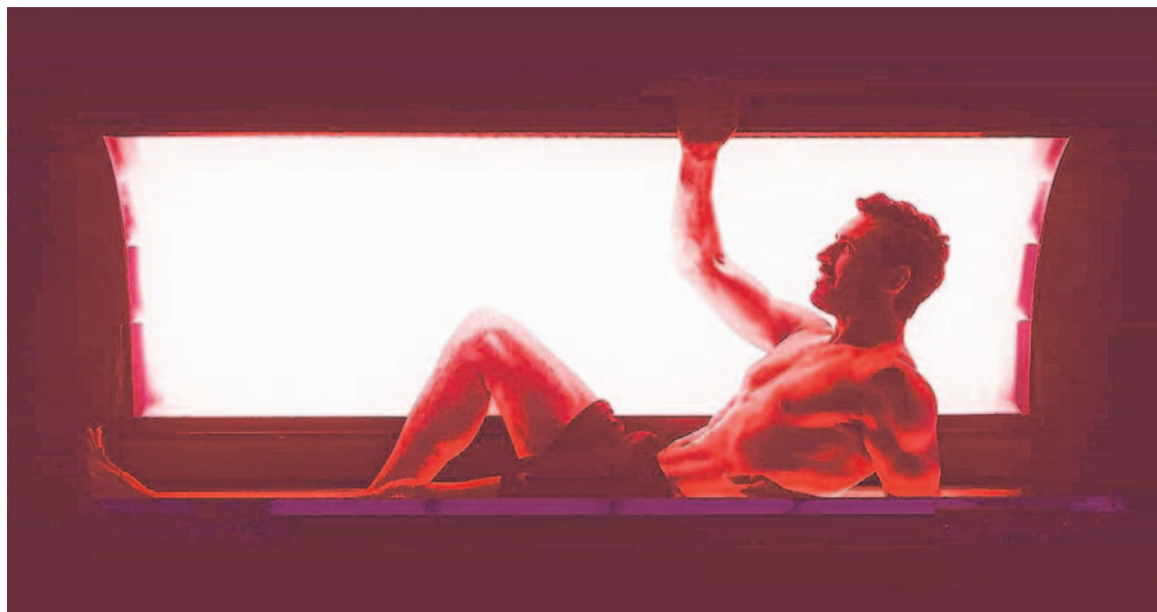
In athletes these treatments are often directed at performance enhancement and recovery. Some researchers believe that using them more frequently and in a prescribed, targeted way could have longer-lasting effects for a general population. While diet and exercise remain the most scientifically proven ways to achieve longevity, new therapies and devices are coming to wellness clinics and performance-focused membership clubs. Here's a look at some of the emerging treatments that promise to help turn back the clock, and what medical experts think about them.

Light therapy

Some liken it to photosynthesis in plants: Photobiomodulation uses specific wavelengths of red or near-infrared light in treatments for humans, aimed at promoting speedier healing and other benefits. Red light occupies the long end of the visible light spectrum with wavelengths between 630 and 700 nanometers. Near-infrared light lies on the invisible spectrum with wavelengths ranging from 800 to 2,500 nanometers.

The idea has been used in efforts to stimulate hair growth since the early 1960s. NASA started experimenting with it in the 1980s to prevent muscle atrophy in astronauts. Now longevity researchers are taking a look.

Studies suggest photobiomodulation could stimulate collagen growth, decrease inflammation and even improve cognitive function. Olympic athletes lie in Thor Photomedicine's NovoThor red-light therapy bed—which looks like a tanning bed and retails for \$130,000—for 15-minute sessions, hoping to boost performance and recovery. Also used by sports pros, Vielight's headband-and-nose-clip combination, at \$1,800-\$2,400, emits pulsed near-infrared light waves into the nostril toward the brain.



▲ A red-light therapy bed is used by Olympic athletes to boost sports performance and recovery.

More studies need to be done on the potential cognitive benefits of cold exposure, such as improved mood and attention, says Guseh of Mass General Brigham, but science backs physiological benefits. Cold is a stressor, he says. When the body is exposed to cold, blood pressure and heart rate rise, kicking into fight-or-flight mode. Exposing the body to frigid temperatures for short periods of time is like microdosing on stress, he says. "If you can adapt the way you handle stress you may be able to develop resiliency to defend against daily stressors that lead to disease."

Magnetic energy

Much like the earth, our bodies are electromagnetic, and our brains use electromagnetic signals to communicate with the body. Electromagnetic fields from sources like electronics hit our bodies all day and, at high frequencies, can be damaging, says Arany of the University at Buffalo. In contrast, bursts of low-level electromagnetic radiation in a therapy known as pulsed electromagnetic field, or PEMF, trigger a biologic response that recharges cells when they start to lose energy from stress or fatigue, he says.

The idea is that low-frequency pulses pass through the skin and penetrate into cell membranes to induce genetic changes and even protein synthesis, Arany says. At around 5 to 30 hertz, the PEMF frequency mimics the body's natural bio-field. "Essentially it's forwarding our brain a message to kick-start the body's healing process," he says.

Most PEMF gadgets sold for home use, like mats and chairs, start at around \$1,000 and are marketed as ways to reduce inflammation or relieve pain, in conditions like arthritis. These devices have also become a staple at Upgrade Labs and Restore Hyper Wellness, two chains of centers in the U.S. that offer treatments aimed at enhancing performance. Magneceutical Health says its Magnesphere Halo, a \$13,000 chair surrounded by large copper coils that create a uniform magnetic field around the body, can help reduce stress by resetting the nervous system.

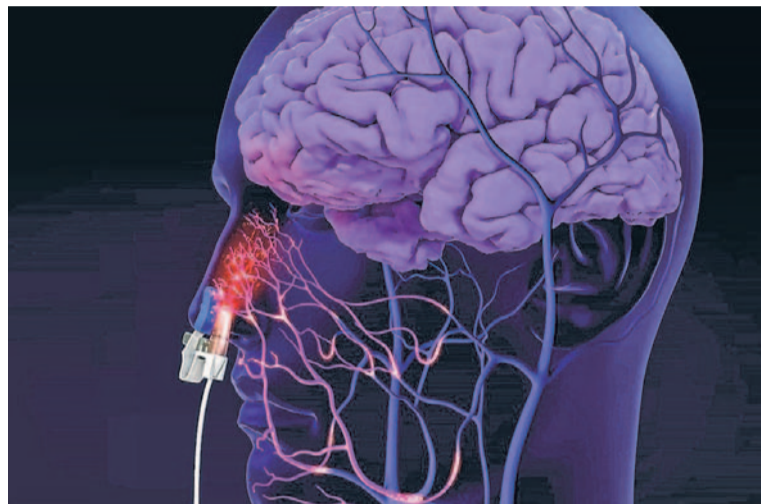
PEMF is approved by the Food and Drug Administration for conditions including bone healing, wound care, migraine headaches with aura and clinical depression, though it often isn't covered by health insurance. PEMF, combined with medication, can help alleviate effects of chronic arthritis, Parkinson's disease and other conditions, says Joseph Toy, clinical director of Cliniques Neuro-Vie Sante, a neurostimulation center in Montreal, where doctors can also prescribe the treatment.

He warns, however, that everyone reacts differently to PEMF. For the best results, it needs to be prescribed at a specific frequency and wavelength over a certain timeline.



▲ Sports pros use Vielight's Neuro device, shown emitting near-infrared light at the skull.

Photobiomodulation is believed to work through cell components known as mitochondria—our body's battery packs that give us energy, says Margaret Naeser, a research professor of neurology at Boston University School of Medicine who also works at the Boston VA Medical Center. When red or near-infrared light within a wavelength range of 600 to 1,200 nanometers is applied to tissue, it is absorbed by mitochondria, especially in damaged or compromised cells, where it triggers repair signals, she says. This appears to increase blood flow to the brain and



▲ A rendering illustrates how light is delivered through a nasal applicator on Vielight's devices.

help repair damaged cells.

Naeser was an author of a 2023 study published in the Journal of Alzheimer's Disease Reports that found photobiomodulation could be a management therapy for people suffering chronic traumatic encephalopathy, Alzheimer's and strokes.

Praveen Arany, an associate professor of oral biology at the University at Buffalo and an expert on therapeutic uses of lasers and light, says photobiomodulation clearly has benefits. But he questions speedy adoption in clinical and wellness realms. "How can you use the same light for any-

thing and everything from antiaging to improved brain function?" he says. In the future, he predicts, doctors will prescribe "photochemicals"—that is, light as a drug—in very specific doses, or wavelengths, and for very specific times of day to maximize benefits.

Thermal regulation

Athletes have helped popularize frigid baths and cryotherapy chambers, touting benefits ranging from better athletic performance to heightened focus.

After long studying heat loss in animals, Stanford University biologists H. Craig Heller and Dennis Grahn in the early 2000s developed cooling mittens to reduce muscle temperature in humans within seconds by drawing blood to a network of veins where it is rapidly cooled by water circulating in the glove's plastic lining. Their research showed that by precisely controlling core temperature, such mittens could significantly increase strength and endurance. The gloves were used by U.S. military forces in Iraq in 2003 and athletes at the 2004 Olympic Games in Athens.

Arteria Technology now sells the gloves known as CoolMitt at \$1,500, marketing them to athletes looking to boost performance as well as people who work in extreme heat.

▲ Cooling 'mittens' can reduce muscle temperature within seconds, improving endurance.



Working Out Twice a Day Isn't Just for Pro Athletes

BY JEN MURPHY

Everyday exercisers are embracing the grind usually reserved for triathletes and pro football players: two-a-days.

Unlike the overachievers and professionals chasing a fitness edge, these people often use that second workout to structure their workday, socialize or de-stress. Some are worried about their own longevity.

Sarah Chabot is a 42-year-old hospitality executive who lives on a farm in Walland, Tenn. She regularly rides horses and runs. Looking to boost her cardiovascular health without taxing her joints, she's now added cycling to her daily mix.

"I have a family history of health problems, and want to be in the best shape possible to fight off whatever may be coming down the road," says Chabot.

Her husband, Andy Chabot, 42, is a longtime two-a-day exerciser. The extra sweat session is a way for the couple to spend more time together.

Public health agencies generally suggest that adults do at least 150 minutes a week of moderate-inten-

sity aerobic physical activity and work on muscle-strengthening at least twice a week. And trainers also tout the benefits of yoga, Pilates and other mind-body practices.

Still, there's a right way and a wrong way to approach twice daily exercise, given that too much body stress can cause long-term injuries.

Max Graeber, a Las Vegas-based personal trainer, says clients tell him bookending their days around the gym forces them to be more efficient during their workday. And ending the day with an activity they enjoy feels like a reward.

"It's more and more common for people to do a cardio or strength training in the morning and then come back for hot yoga or meditation at night," Graeber says.

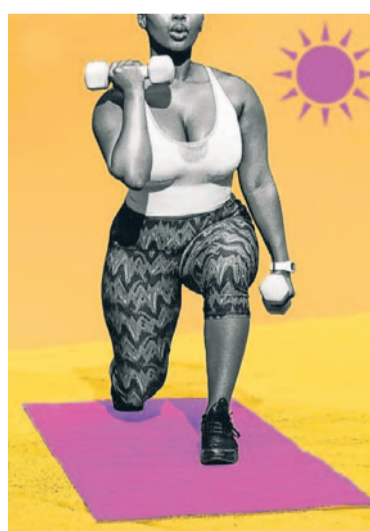
Doubling down

Jennifer V. Cole, a 46-year-old culinary travel consultant living in Catania, Sicily, works from home and says the gym has become her social space. The lapsed exerciser joined a gym in late 2020 looking to drop pandemic pounds.

"As I started to get more fit, an hourlong workout felt like a warm-up," she says.

She's now a gym regular, supplementing personal-training sessions with daily group fitness classes. Cole says the classes prevent boredom and challenge her muscles in new ways. The increased exercise has also improved her sleep and provides a sense of community.

"Sometimes I don't necessarily want to return to the gym in the



afternoon or evening, but I do it because I want to see my gym friends," she says.

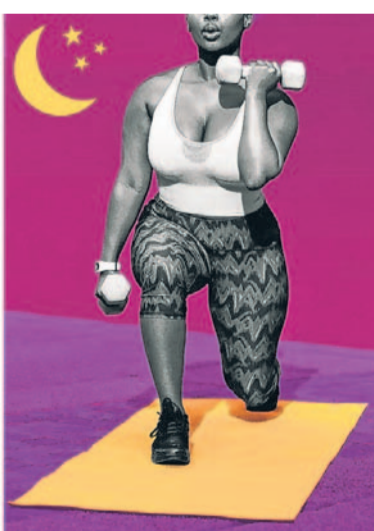
Quality over quantity

When it comes to fitness, less is often more, says Sam Tooley, a personal trainer and co-founder of Alpha Fit Club, a boutique gym chain in New Jersey.

Tooley says that if clients do two-a-day sessions, he makes sure they aren't taxing the same muscle groups back-to-back.

"If you run hill repeats on Monday morning and then return to the gym to lift legs at night, you'll probably be waddling around the next day," he says.

A healthy two-a-day routine might look like this:



► **Monday:** morning upper-body strength training and light afternoon jog

► **Tuesday:** morning lower-body strength training and evening yoga

► **Wednesday:** rest

Mixing two different types of workouts, like strength and cardio, into your day and incorporating a full rest day will reap rewards, Tooley says. "Muscles need rest days to get stronger."

Intensity also matters. "It's unhealthy to go all-out every session. You want to return to the gym feeling refreshed," he says.

Jim Edwards, a physical therapist at Cleveland Clinic Rehabilitation and Sports Therapy in Ohio, says it is important to ask yourself why you are exercising twice a day or

more, especially if you aren't training for a competition. If your compulsion to exercise takes priority over work, social interaction, family time or sleep, you may have an unhealthy relationship with exercise, he says.

A healthy balance

Jodie Baker of Hopkinton, Mass., used to believe that if she wasn't tired at the end of the day, she needed a run. A former college rugby player, she'd be at the gym by 6 a.m., attend practice, then run more after practice. Exercise started to feel like punishment, she says.

Now 44 and a mother of four, she's rethought her approach. Baker recently signed up for FitFunCarly, a subscription service of livestreamed 15-minute workouts. Baker says squeezing multiple "exercise quickies" into her day has helped her rediscover the joy of fitness.

When her husband recently suggested a family walk after a long car ride, she joined, skipping and laughing with her kids. "A few years ago, I would have let them walk and I would have gone and done sprints," she says.

Tooley, the New Jersey trainer, reminds people that exercise is just one piece of the overall health puzzle. He urges two-a-dayers to consider whether that second session might be better spent on getting a good night's sleep or preparing healthy meals.

"Those other facets of our day can really move the needle when it comes to longevity," he says.



OYSTER PERPETUAL LADY-DATEJUST



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A Vicious Assault on a Free Press



Members of the United Nations,

Nearly six months ago, our friend and colleague Evan Gershkovich was detained by the Russian Federation on March 29 during a reporting trip and accused of espionage. The Wall Street Journal and the U.S. government vehemently deny the allegation.

Independent United Nations human rights experts have said Evan's arrest sends a chilling message to all journalists. These same experts have called for Evan's immediate release.

Lawyers for Dow Jones, the publisher of the Journal, filed a petition with the U.N. Working Group on Arbitrary Detention. Evan's ongoing detention is an affront to his basic human rights, and each day he remains in a Russian prison is a blatant disregard for international law.

As we reflect this year on the 75th anniversary of the signing of the Universal Declaration of Human Rights, we urge all Member States to act now for freedom of expression by working with urgency and purpose to secure Evan's release.

Evan is a journalist. Journalism is not a crime. If this can happen to Evan, it can happen to journalists and citizens from any country. Stand with us and fight for freedom of expression and the press.

#IStandWithEvan

Almar Latour, CEO of Dow Jones and Publisher of The Wall Street Journal

Emma Tucker, Editor in Chief of The Wall Street Journal

To show support for Evan, please follow the latest updates at **WSJ.com/Evan** and add the hashtag **#IStandWithEvan** across social media.



#IStandWithEvan

SolidaritéAvecEvan

Libertad Para Evan

声援Evan, 还其自由

Свободу Эвану

الحرية لإيفان

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Americana Independence

Mitski shifts genres on her seventh album

Singer-songwriter Mitski Miyawaki, who records and performs under her first name, already seemed like an old soul when she issued her first album for a label and third overall, 2014's "Bury Me at Makeout Creek." Though its title was a reference to "The Simpsons" and her songs drew on the catharsis of the youth-oriented indie-rock sub-genre emo, her poetic and carefully observed lyrics transcended raw expression and her musical interests were wide-ranging. She wrote for large ensembles while studying composition at SUNY Purchase—with those pieces appearing on her self-released second LP, "Retired From Sad, New Career in Business"—and it was apparent that the rock-band format was going to take her only so far. Even the music she made in her early 20s—she's 32 years old now—oozed sophistication.

Mitski's sixth album, 2022's "Laurel Hell," shared the synth-heavy arrangements and danceable beats of her 2018 LP, "Be the Cowboy," and cemented her as a commercial force, landing at No. 5 on the Billboard 200. But "Laurel Hell" was misunderstood and triggered a certain amount of backlash—the record's second pre-release single, "The Only Heartbreaker," was co-written by Dan Wilson, a songwriter-for-hire who has worked with superstars like Adele and Taylor Swift. The collaboration with Mr. Wilson led some who were deeply invested in Mitski as an independent artist to frame the collection as a naked bid for the mainstream. One listen to the album, a dark and frequently grim outing that used the synthetic pulse of '80s pop as a texture, should have laid that idea

to rest. Her follow-up record, "The Land Is Inhospitable and So Are We" (Dead Oceans), out now, is another stylistic detour to remind us that this restless artist isn't interested in repeating herself.

This time out, Mitski and her longtime producer Patrick Hyland turn their attention to lush and sophisticated Americana. Strings, horns, choirs and pedal steel guitar appear regularly, though the arrangements never feel overstuffed. Rather, the decorative production serves to enrich the lyrical content and bring Mitski's narratives to life. The first track, "Bug Like an Angel," is one of the best she's written, and reveals a great deal about how she uses small details to convey big feelings. It's a song about the allure and escape of alcohol, and how what might feel good in the moment could eventually cripple you over time. It begins in a hushed register, as Mitski sings over a simple chord progression on acoustic guitar of seeing an insect at the bottom of a near-empty glass. "Sometimes a drink feels like family," she sings at the end of the first stanza, and then a disarmingly loud choir answers with the word "family," stretching each vowel into several notes, as if to demonstrate both the power of the drink and the healing presence of the people it's meant to replace.

It's a brilliant and unforgettable album-opener that sets the stage for the meticulously crafted songs to come. The following "Buffalo Replaced" is shadowy, gothic folk with an air of menace, and it too is filled with evocative imagery that zeroes in on a single moment: While standing in her backyard being bitten by mosquitoes and watching a train pass, Mitski imagines that hope is an animal,



◀ The singer-songwriter's "The Land Is Inhospitable and So Are We" is out now.

someone singing a carefully crafted song in a studio, trying to get her diction perfect so that every lyrical detail resonates. This meticulous approach to arrangement and production emphasizes the work's formal qualities and heightens the drama, and it's also a refreshing departure from pop's current fascination with "relatability," where we expect singers to perform as if they're our friends.

Mitski's songwriting here, as on all her records, always leaves you wanting more. Despite the grand, sweeping nature of the arrangements, these 11 songs roll by in little more than 30 minutes. "When Memories Snow" is a terrific extended metaphor about trying to clear out the past and live in the present—"when memories melt / I hear them in the drain pipe," she sings—complete with marching drums, strings and a mariachi horn section. And yet, with all that going on, it doesn't even last two minutes. The loping country ballad "The Frost" has rich lines about loss—"You're my best friend, now I've no one to tell / How I lost my best friend"—and like many a classic jukebox

one that needs to be tended to and cared for and is at risk of disappearing without warning.

"Heaven" and "I Don't Like My Mind" are countrified ballads with swooning clouds of pedal steel and weepy string arrangements Billy Sherrill might have admired, but Mitski's lyrical stance is all her own. The title of the latter gives you an idea of its subject matter, which is also one of the themes of the record as a whole: the private torment of feeling deeply uncomfortable in one's own skin, even though from the outside everything looks fine. But the singer uses humor to balance the self-laceration: "I don't like my mind, I don't like being left alone in a room" is followed a line later with



"I blast music loud, and I work myself to the bone / And on an inconvenient Christmas, I eat a cake."

Mitski's singing voice is slightly chilly and distant. While Americana as a genre suggests folk-descended music that's loose and informal, she always sounds like

45, it fades out right as its emotional tug is strongest.

"The Land Is Inhospitable and So Are We" is a sharp and affecting collection of songs about loneliness and isolation that also hints at the healing power of solitude and quiet contemplation. Nothing here is simple and there are no easy answers, and Mitski's rich musical conception supports this complexity at every turn while also indulging our ear's desire for pleasure. It's another winner of an album from a fascinating artist whose best work could still be in front of her.

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

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF SEPTEMBER 19

By WSJ Arts in Review Staff

Film

"Expend4bles" (Sept. 22)
The Sylvester Stallone-led ensemble action series returns for its fourth installment with the rag-tag team trying to stop a group of terrorists from smuggling nukes that threaten to ignite a hot war between the U.S. and Russia. The brawny cast includes Jason Statham, 50 Cent, Dolph Lundgren and Randy Couture as well as Megan Fox and Andy Garcia.

Music

Doja Cat, "Scarlet" (Sept. 22)
The hitmaker mixes things up, moving on from the pop-forward sounds of her last record into hip-hop and R&B-driven tracks. This album is among 2023's most hyped, with advance single "Paint the Town Red" already landing atop the Hot 100.

"Doppelgänger" (Park Ave Armory, New York, Sept. 22-28)
Claus Guth creates a new

holy Wars," Karim Sulayman's re-investigation of the Crusades and the Middle East; and more.

Exhibitions

"John Waters: Pope of Trash" (Academy Museum, Los Angeles, through Aug. 4, 2024)
The Baron of Bad Taste and the Sultan of Sleaze are among the other less-than-friendly monikers given to the provocative, campy, singular John Waters. Now the first comprehensive exhibition dedicated to the iconoclast's contributions to cinema opens, including costumes, props, scripts, correspondence, scrapbooks, photographs and more, accompanied by a retrospective film series.

Art
"Barkley L. Hendricks: Portraits at the Frick" (Frick Madison, New York, Sept. 21-Jan. 7, 2024)
Barkley L. Hendricks was one of the most influential—and recognizable—portraitists of the 20th century. His vividly rendered black subjects, unabashedly proud and individual, drew compositionally from European masters, but he made the works unmistakably his own. At the Frick, Hendricks's work is shown alongside classic European portraiture to reveal the ways the American mined art history.

Other
"Lies of P" (PlayStation 4 & 5, PC, Mac, Xbox One & X/S, Sept. 19)
No lie, Pinocchio might not be the craziest source to adapt into an M-rated videogame but it's up there. The third-person, soulslike action has players controlling a humanoid Pinocchio to fight enemies with, among other things, his mechanical arm while he searches a ravaged city for Geppetto.

Opera
Festival 023 (Various Locations, Philadelphia, Sept. 21-Oct. 1)
Highlights of the fifth outing of Opera Philadelphia's season-opening festival include a new production of Verdi's "Simon Boccanegra" by Laurence Dale; the world premiere of "10 Days in a Madhouse," with music by Rene Orth and libretto by Hannah Moscovitch, which tells the story of reporter Nellie Bly during her time at Blackwell's Asylum; the Philadelphia premiere of "Un-

theatrical staging for Franz Schubert's "Schwanengesang (Swan Song)." Composed at the end of Schubert's life, the work embodies myriad emotions—from despair to ecstasy. Tenor Jonas Kaufmann and pianist Helmut Deutsch perform.

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



▲ Sylvester Stallone in "Expend4bles"

TV

"The Continental: From the World of John Wick" (Peacock, Sept. 22)
This three-part spinoff of the hyperviolent, Keanu Reeves-led films looks at the 1970s origins of the hotel that serves as neutral ground for the world's assassins. The killer cast includes Colin Woodell, Mel Gibson, Mishel Prada, Jeremy Bobb, Ben Robson, Peter Greene and Ayomide Adegun.

Theater

"Swing State" (Minetta Lane Theater, New York, through Oct. 28)
Moving from Chicago's Goodman Theatre to New York, Rebecca Gilman's latest, directed by Tony winner Robert Falls, sees a widow phoning the police and triggering a series of events that rocks her sleepy Wisconsin community.

The WSJ Daily Crossword | Edited by Mike Shenk

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- 30 Jane Austen novel that inspired "Clueless"
- 32 Prod
- 34 Fashion's Saint Laurent
- 35 The "You've Got Mail!" company
- 36 Denial in Deutschland
- 37 Ain't as it should be?
- 38 Former Senate majority leader Harry
- 39 Notable stretches
- 44 What the first letter of an inclusive initialism stands for
- 45 Mafia bigwig
- 46 Makes a pretense of competence
- 47 Three Rivers river
- 51 Ted on television
- 52 Walk onstage
- 53 Fish market features
- 55 Chance for a hit
- 56 Sculpting medium
- 58 Following
- 60 Voice above 16-Across
- 61 Bunches
- 62 Rally, relay or regatta
- 63 Fairy tale preposition
- 64 Fix

ARRR! | By Andrea Carla Michaels & Kevin Christian

- Across**
- 1 Loose things to tie up
 - 5 "Behold!"
 - 9 Heated argument in public, say
 - 14 Bakery buy
 - 15 Composer's creation
 - 16 Andrea Bocelli, for one
 - 17 Have top billing
 - 18 Vacation goal
 - 19 Nepal neighbor
 - 20 Asana experts
 - 23 Links org.
 - 24 Pennsylvania city where the Peppermint Pattie was first made
 - 25 Like leprechauns
 - 26 Good feelings
 - 29 Praiseful verse
 - 31 Gloomy sort
 - 33 Domain of Charlemagne
 - 40 Any of several kings of Norway
 - 41 Springfield bartender
 - 42 Computer buyer
 - 43 Place "you can never leave" in an Eagles classic
 - 48 Word before horse or monkey
 - 49 Slangy refusal
 - 50 Six-pt. scores
 - 51 One of the zodiac's fire signs
 - 54 Places to unwind
 - 57 Seller of Souls
 - 59 Phrase that follows the first syllables of 20-, 33- and 43-Across, especially today
 - 65 Smirnoff competitor, familiarly
 - 66 Cries following a bad call
 - 67 Gift-wrapping need
 - 68 Big name in mattresses
 - 69 Not for
 - 70 Micro and macro study, for short
 - 71 "Citizen Kane" director Welles
 - 72 Class act?
 - 73 Rip apart
 - Down**
 - 1 Crafty market?
 - 2 Peacekeeping grp.
 - 3 RuPaul specialty
 - 4 Part of a bra or backpack
 - 5 Thing measured by the Fujita scale
 - 6 Big galoots
 - 7 Houston's baseball manager Baker
 - 8 Houston ballplayer
 - 9 Gluey adhesive
 - 10 Copper-plated coin
 - 11 Finance, as a scholarship
 - 12 Bête (bane of one's existence)
 - 13 Clear of chalk
 - 21 Lab assistant of horror films
 - 22 Prod
 - 26 "Yikes!"
 - 27 Response in a pool game
 - 28 Blind segment
 - 8 Houston ballplayer
 - 9 Gluey adhesive
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 - 11 Finance, as a scholarship
 - 12 Bête (bane of one's existence)
 - 13 Clear of chalk
 - 21 Lab assistant of horror films
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 - 28 Blind segment

Previous Puzzle's Solution

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A	R	I	I	N	A	A	E	T	N	A	
C	I	D	N	E	W	P	O	R	T	N	E
O	T	E	R	O	L	A	Y	I	R	A	S
D	E	S	I	U	R	N	E	T	A	T	S
N	E	T	N	E	G	A	T	I	V	E	D
A	S	A	D	A	G	I	N	D	R	C	
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A	R	E	A	B	O	A	R	R	A	T	E
P	R	E	Y	E	Y	R	E	S	P	O	R

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

SPORTS



FROM TOP: TIM HETTMAN/USA TODAY SPORTS; VIA REUTERS; CON: SAM HODDE/ASSOCIATED PRESS

By ANDREW BEATON

The New York Jets emerged after Aaron Rodgers's torn Achilles with a shred of optimism. They had still managed to beat a Super Bowl contender, the Buffalo Bills, even after losing their star quarterback just a few plays into their first game of the season.

Then the Jets ran into the one NFL team that has looked utterly dominant to start the year: the Dallas Cowboys.

Coming off a 30-10 win on Sunday, the Cowboys have now outscored their opponents by 60 points over the first two weeks for a point differential that's double the next closest team. The win was Dallas's second consecutive romp, after it blew out the New York Giants 40-0 in the opening week.

It isn't shocking that the Cowboys are good—they have won 12 games in each of the past two seasons. But their success over the last couple of years is also what makes it surprising that they made a drastic change this offseason in a bid to take the next step and win the storied franchise's first Super Bowl in nearly three decades.

When Mike McCarthy was hired as Dallas's coach in 2020, the team's offensive coordinator under the prior regime, Kellen Moore, was considered so integral that McCarthy kept Moore on to run the team's

offense. It was an unusual decision: McCarthy, who previously won a Super Bowl coaching the Green Bay Packers, has a background on the offensive side of the ball. Still, he was willing to let a young assistant who he had never worked with call



Cowboys coach Mike McCarthy, right, chats with quarterback Dak Prescott.

the Cowboys offense.

The pairing worked well: They made the playoffs in back-to-back seasons and even ranked in the top five in points in each of the last two years.

But McCarthy moved on from Moore this offseason, and it isn't difficult to see why McCarthy was itching to shake things up. For one, both postseason berths led to quick exits. And more troublingly, quarterback Dak Prescott's effectiveness had waned, with his yards per attempt going down and his interceptions going up. Last year, after Prescott led the league in picks during the regular season, he threw two more when Dallas lost to the San Francisco 49ers in the Divisional Round of the playoffs.

McCarthy explained over the off-season that he actually thought their offensive formula last season was the best of their three years together. But he also felt that every few years, it can be time to make adjustments—and that he thought it was time for the Cowboys.

"We're not looking to have wholesale changes," he said.

The offense was far from broken—it was one of the best units in the league across Moore's four seasons running it. That explains why the Los Angeles Chargers quickly snapped up the 35-year-old assistant to design their offense and get

the most out of the team's star quarterback, Justin Herbert.

Even if the 59-year-old McCarthy didn't take the playbook and light it on fire, his taking over the play-calling duties represented a philosophical shift. McCarthy, who spent 13 years in charge of the Packers, is steeped in the traditional West Coast offense, which prioritizes shorter yet higher-percentage passes. It's the exact type of system that might help a quarterback take care of the ball better.

That was on full display Sunday when Prescott peppered modest throws that dissected a vaunted Jets defense that had ranked in the top-five a year ago and had throttled the Bills a week earlier. In the win, Prescott completed 31-of-38 attempts for 255 yards and two touchdowns. He didn't turn the ball over, either.

Prescott's receptions with CeeDee Lamb, his top receiver, were indicative of how the Cowboys could still pick up big chunks of yards even when Prescott wasn't airing it out down the field. Lamb finished the game 143 receiving yards—and 66 of those

Micah Parsons strips the ball from Jets running back Dalvin Cook.

came after the catch.

Between the blowout of the Giants and the start of Sunday's win, Dallas started the season with 50 unanswered points. That's the most to begin a campaign in the NFL since 2006.

A team doesn't rack up that type of run by merely scoring points. Those two wins were also indicative of why Dallas has the chance to be the most complete team in the league.

The team's defense has been one of the best in the league since 2021, when the team both brought in veteran defensive coordinator Dan Quinn and drafted phenom pass rusher Micah Parsons. Jets coach Robert Saleh called Parsons a "game wrecker" before Sunday's game. Then Saleh watched as Parsons wrecked his offense. He finished the game with two sacks, a forced fumble and was a constant menace for Rodgers replacement Zach Wilson, who Dallas intercepted three times.

The Giants had even less luck against the same defense. While getting shut out, they turned it over three times, with both a blocked field goal and an interception getting returned for a touchdown.

"Got beat all the way around," Giants coach Brian Daboll summed it up afterward.

The Cowboys' formula has been pretty successful the past couple of years. They tweaked it anyway.

And no team has looked better to start the season.

JASON GAY

3-0! Now Comes the Hard Part for Coach Prime



Is the fever about to break on Colorado and Coach Prime Mania? It nearly did Saturday night in Boulder, in a sloppy double overtime contest against 24-point underdog Colorado State—"We started out playing like hot garbage," Coach Prime acknowledged—but the Buffs rallied to stay undefeated at 3-0. The Most Unexpected and Delightful Party in Sports pushes on for at least another week.

Oregon is next, in Eugene. The also-undefeated, 10th-ranked Ducks are averaging 58 points per game and are the biggest threat Colorado has faced to date. If they fail to burst the bubble, fifth-ranked USC looms on Sep. 30.

It seems unlikely that a Colorado team which looked tired and disorganized against CSU will finish the month unbeaten. (They also lost two-way star Travis Hunter to a cheap hit.) It's possible they will be 3-2 at month's end, cooling the hype, giving the Coach Prime skeptics their Eager Moment of Schadenfreude, and we will finally start paying attention to other college football teams and coaches. We might look back and say: *Remember when we all decided the biggest story in sports was Coach Prime and Colorado Buffaloes?*

I doubt it fades entirely, however. Sanders has done too much already. It's been stunning to watch one of the country's most misbegotten pro-

grams (1-11 last season) instantly transformed into the team that everyone wants to watch. I couldn't have been the only East Coaster on the couch early Sunday wondering: *Why the heck am I watching a Colorado-Colorado State game at 1 a.m.?* It's reminiscent of Gordon Ramsay overhauling a decrepit diner. For years, Colorado served cold oatmeal. Now: Prime rib.

Everyone craves a bite. ESPN and Fox hosted their pregame gabs on campus, Coach Prime dropping into both shows as the unquestioned Guest of Honor. Sanders also got a sit down Sunday on "60 Minutes"—a clear indicator that the story has progressed to a cultural phenomenon. This is the second Coach Prime column I've written in less than two weeks, and if they keep on winning, there will be more.

Coach Prime arrived at the right time. For years, football has been stuck in a stale cycle of dominant teams, the same coaches giving the same bland sound bites. A summer's worth of smoke-filled room conference chaos—Colorado is another program bailing on the Pac-12; it's going to the Big 12—threatened to alienate the audience further.

But what's happening in Colorado feels new. With more than 50 transfer players, including some from Sanders's time at Jackson State—and a similar number pushed out the door—it represents what an aggressive college football program can be in 2023, as the sport shifts its

power from schools and conferences to the people who actually make the game.

In this new landscape, personality matters. Tradition isn't essential, and geography is a mere detail. Sanders is unabashed about college football's entrepreneurial possibilities, whether it's name, image or likeness, or the NFL for a lucky few. Colorado HQ is outfitted with famous Sanders-isms, including this all-timer: IF YOU LOOK GOOD, YOU FEEL GOOD. IF YOU FEEL GOOD, YOU PLAY GOOD. IF YOU PLAY

GOOD, THEY PAY GOOD.

"My kids who play for me, they didn't choose a university," Coach Prime told "60 Minutes." "They chose me."

Perhaps the apex of Prime Mania is that there's already speculation about what Sanders does *after* Colorado. Would Prime thrive at a different school? The SEC? The Big Ten? Would he jump to the NFL? ("I would never do that," he told Rich Eisen of the pros.) Why stop with football? It's only a matter of time before the management gurus and



Colorado coach Deion Sanders, right, has led the team to a 3-0 start.

office consultants start offering Coach Prime 101.

He does it his way, unabashedly. Sanders is happy to upend coaching conventions, whether it's the theme music, his on-field style, his sanitized expletives ("bull junk") and, most of all, his willingness to engage with outside noise. He happily turned a criticism from Colorado State's coach about his habit of wearing a hat and sunglasses into motivational fuel—"They messed around and made it personal," he quipped—and also made it a viral marketing bit for his sunglasses sponsor. Sanders greets his media appearances with the casual ease of a man who knows how to talk on camera. (The other night he followed up a live halftime TV interview with another live halftime TV interview.)

He does this all with the mild wink of a showman who wants you to know he's having fun, too. Sanders surely suspects Colorado will have its hands full with Oregon and USC, especially if Travis Hunter is out, but he's not going to do the standard coach's routine of pooh-poohing the heightened expectations. Coach Prime isn't going to chastise students for rushing Folsom Field after squeaking out a victory over 0-2 Colorado State. Let them enjoy. It's been a while.

Does it all come after with a losing streak? It's possible. College football is a long season, and a hot program can be rendered human very quickly. Colorado is an exciting but newly-assembled team, capable of brilliant flashes but also careless mistakes. There are lots of critics eager to say 'I told you so' when Sanders takes a few Ls. I'm not there. I think Coach Prime is winning.

DAVID ZALUBOVSKI/ASSOCIATED PRESS

OPINION

Donald Trump Owes Pro-Lifers



MAIN STREET
By William McGurn

When Donald Trump's interview with NBC's Kristen Welker aired Sunday morning on "Meet the Press," he was criticized by some pro-lifers. Some didn't like his calling the six-week ban on abortion signed by Florida Gov. Ron DeSantis a "terrible thing," while others took issue with his muddled answer on federal vs. state bans. Mr. Trump no doubt sees himself as he posted on Truth Social posted back in May:

"After 50 years of failure, with nobody coming even close, I was able to kill Roe v. Wade, much to the 'shock' of everyone, and for the first time put the Pro Life movement in a strong negotiating position over the Radicals that are willing to kill babies even into their 9th month, and beyond. Without me there would be no 6 weeks, 10 weeks, 15 weeks, or whatever is finally agreed to. Without me the pro Life movement would have just kept losing. Thank you President TRUMP!!!"

No one can deny Mr. Trump's achievement with *Dobbs v. Jackson Women's Health Organization*. His Supreme Court picks provided the margin of victory for overturning *Roe v. Wade*. He's also right that absent *Dobbs* there would be no bans at all. But he is on shakier ground when

he says that without him "the pro Life movement would just have kept losing."

It's the other way around. Mr. Trump would never have been elected president without the active support of the pro-life and conservative legal movements. He had the wit to follow their lead.

In 2016 when Mr. Trump first ran for president, nobody knew what he believed. So he asked Leonard Leo at the Federalist Society to produce a list of jurists who would interpret the Constitution as it was written and as the Founders understood it. Candidate Trump pledged to choose from this list for his Supreme Court nominees.

So Mr. Trump deserves credit for the Court's *Dobbs* decision. But *Dobbs* itself was the culmination of a nearly 50-year effort to place on the court justices who understood the constitutional travesty *Roe* represented. Over those five decades, often against long odds, pro-lifers provided the critical support needed to get these justices confirmed and the presidents who nominated them elected.

It helps to go back to February 2016, when the great Antonin Scalia died. In March, Barack Obama nominated Merrick Garland to fill his seat. But Senate Majority Leader Mitch McConnell announced that the Senate wouldn't hold hearings so close to a presidential election, killing Mr. Garland's chances and keeping the seat

open for the winner of the November election to fill.

That was the situation as Mr. Trump was moving closer to the GOP nomination. Mr. McConnell told him he needed to shore up support from Republicans worried about the Supreme Court—including pro-lifers. So Mr. Trump released a list of 11 potential nominees from which he'd choose to fill the empty seat.

Trump made *Dobbs* possible—but foes of abortion made his presidency possible.

It was a bold move, and he deserves credit for that too. Equally bold was his decision to speak bluntly about partial-birth abortion in his debate with Hillary Clinton, highlighting Democratic extremism. He characterized her position as "in the ninth month, you can take the baby and rip the baby out of the womb of the mother just prior to the birth of the baby."

Mrs. Clinton tried to push back, but Mr. Trump made his point. On Sunday Ms. Welker tried to "fact check" him when he again talked about abortion up to nine months, saying "Democrats aren't saying that." Of course they don't say that because voters would be repelled. But they fight any limit on abortion, including partial-birth abortion.

Ed Whelan is president emeritus of the Ethics and Public Policy Center. "It's one thing for pro-lifers to be grateful to Trump for appointing Supreme Court justices who were critical in overturning *Roe*," he tweeted Sunday after the "Meet the Press" interview. "It's quite another to think we should view him as an ally going forward."

As for going forward, there are two realities about a national abortion ban. Former South Carolina Gov. Nikki Haley pointed to one in the first GOP debate last month: Republicans don't have the 60 Senate votes needed.

The other is that those hoping abortion will go away as a national issue are dreaming. So long as the Democrats are pushing to codify *Roe* in federal law, voters will demand to know where candidates for president and Congress stand on the issue—and they will have to answer. Republicans will also have to respond when Democrats insist on constitutionally dubious policies, such as the Pentagon's decision to underwrite, without the blessing of Congress, interstate travel by service members to obtain abortions.

In short, Mr. Trump can rightfully claim credit for making *Dobbs* possible. But as abortion politics enters the post-*Dobbs* future, let's not forget it was the pro-life movement that made Donald Trump possible.

Write to mcgurn@wsj.com.

BOOKSHELF | By Jennifer A. Frey

The Price Of Flourishing

The Liberating Arts

Edited by Jeffrey Bilbro, Jessica Hooten Wilson & David Henreckson

(Plough, 224 pages, \$19.95)

Higher education in the 21st century has been marked by a series of financial and existential crises. The great recession of 2007-08 raised difficult choices about which programs universities should invest in and which should be targeted for elimination. Generally when universities need to tighten their belts, liberal-arts disciplines are among the first to find themselves in the crosshairs, and at that point traditional disciplines like classics, philosophy, history and art have already begun to contract. Students, administrations believe, vote with their feet: If consumer demand is absent, universities respond not by supporting a curriculum they know is formative and valuable but by giving their customers what they say they want.

Once universities adjusted and recovered from the great recession, the 2020 Covid pandemic blindsided them. This disruption, including the long period where professors were out of the classroom, prompted a group of Christian humanists, many of whom teach in small liberal-arts colleges, to contemplate the value of the liberal-arts education they've spent their careers providing. The timing was auspicious—political movements

that arose after the murder of George Floyd were calling for the decolonization of syllabi, and the #DisruptTexts movement began to associate classic texts with white supremacy. Many administrators, meanwhile, adopted the argument that liberal arts are a luxury that cannot be afforded in times of austerity. The liberal arts were under fire from all sides.

One result of that moment was a series of conversations, begun informally and then organized through videoconferences and supported by a grant, which has resulted in a collection of essays, "The Liberating Arts: Why We Need Liberal Arts Education," edited by Jeffrey Bilbro, Jessica Hooten Wilson and David Henreckson. Fourteen of its contributors are professors, five are administrators, two are students, and four are writers who are friendly to the liberal arts. The essays are organized as a series of responses to common critiques: Do we need this sort of education? Is it a waste of time? Is it racist?

As dean of an honors college explicitly dedicated to liberal learning through the study of classic texts, I find myself mostly in agreement with the vision of higher education put forward here. I agree with David Henreckson that the liberal arts are not mere skills or techniques but a way of life that allows human beings to flourish. I find myself nodding along when Zena Hitz argues that liberal learning has fundamentally to do with leisure, the cultivation of habits of contemplation and reflection that allow us to pursue the highest human activities. And I could not be more thrilled to read Brandon McCoy's argument that "the goal of education should be to create liberated persons who seek to examine life in its fullness, to enjoy friendships with others, and to foster the health of their communities."

But I'm not the one who needs convincing. It is noteworthy that the book's most compelling arguments for learning as truly liberating do not come from professors or administrators but from students and readers outside the university. For example, Sean Sword speaks movingly about his incarceration; Calvin University's Prison Initiative, he tells us, offers a way in which "the liberal arts play a key role in the prisoner's restoration to society." In a similar vein, the testimony from students in the Odyssey Project, which brings "great works" courses in literature, philosophy, art and history to low-income adults, 95% of them from communities of color, is compelling and inspirational. Angel Adams Parham speaks movingly of her work with the Nyansa Classical Community, a program founded to bring classical learning and literature to young people of diverse backgrounds, especially from the African diaspora.

Does it make more sense to pursue liberal learning in one's leisure time rather than bother with an expensive four-year degree?

When Zena Hitz explains the Catherine Project (a series of online and in-person seminars) or when Nathan Beacom describes a revival of the Lyceum movement for adults, the reader is left to wonder whether the liberal arts need to be tied to our universities at all. This is no idle concern—the average annual cost of tuition at a liberal-arts college is \$24,000 a year. If one can engage in liberating learning for a small donation to the Catherine Project, doesn't it make more sense to learn in one's leisure time rather than bother with an expensive four-year degree? Even if such study is liberatory, is it worth the student debt, especially when its own practitioners agree that it can be pursued just as profitably on the side for a pittance? In Ms. Hitz's own words, "universities are wonderful, but they are not necessary for human flourishing."

If liberal learning does not need the university, we might ask whether the university needs liberal learning. One might worry that, in trying to prove that the liberal arts are not elitist, we have only shown that we can uncouple them from universities and be no worse off for it. If liberal learning is for everyone and can be pursued anywhere—in prison, in elementary schools, by people in poverty—why would anyone pay tens of thousands of dollars a year for it? Is it because, as Don Eben argues, a habit of learning and analysis makes students better future white-collar workers? Or, as Rachel Griffiths argues, because a liberal-arts education complements professional training, thus becoming a good financial investment? Is the only good argument for liberal learning in universities, ultimately, instrumental?

In the final analysis, the place of the liberal arts in our universities will come down to what we think a university is for—a question this volume does not directly address. But university administrators must always ask ourselves: In what sense is the education we offer meaningfully higher? This collection suggests that the liberal arts provide an education that meets the highest aspirations of the human person, an education aimed at human flourishing. It is difficult to put a price on that. What we need are administrators who are willing to offer the opportunity to aim higher; that so many are unwilling to do this in the name of "consumer" satisfaction is a testament to how far higher education has fallen.

Ms. Frey is dean of the honors college at the University of Tulsa.

Climate Policy and World Order



GLOBAL VIEW
By Walter Russell Mead

In Kuwait are suffering kidney problems because of prolonged exposure to temperatures above 120 degrees Fahrenheit. Naval planners are contemplating the consequences of shrinking Arctic sea ice for warfighting in the far north.

A year of record heat, unusual weather, destructive storms and raging wildfires has intensified the clash between the seemingly irresistible political momentum of the climate-change movement and the apparently unyielding economic and political realities of the world system.

Meanwhile, even as carbon-dioxide emissions increase, the backlash against the cost of climate policy grows. In Germany, business executives and politicians warn about deindustrialization as spiking energy prices drive manufacturers to contemplate moving production abroad. The shift from internal-combustion engines to battery-powered electric vehicles threatens to reduce global employment in automotive manufacturing and make China the dominant producer. With 25 million unsold vehicles glutting markets at home, subsidized Chinese

EV producers are flooding world markets. China has passed Germany and is challenging Japan as the world's leading car exporter.

China, which continues to open coal plants at a record pace, has gamed the new era of green subsidies as effectively as it gamed the World Trade Organization and is emerging as the prime beneficiary of the West's shift to renewable energy. From solar power cells and wind turbines to EVs and batteries, Chinese-owned firms are poised to capture the subsidies Western taxpayers are pouring into the fight against climate change.

The growing mass of environmentally driven subsidies and policy changes is intersecting with the real world in ways that undercut green hopes for more progress. Efforts to restrict fossil-fuel production in countries like the U.S. handed massive market power back to Russia and the Organization of the Petroleum Exporting Countries. This supports Vladimir Putin's war machine and fills the coffers of the world's most determined defenders of the fossil-fuel industry.

As oil and gas profits flow into the sovereign-wealth funds of OPEC producers, countries such as Saudi Arabia and Kuwait have powerful tools to influence policies in emerging markets around the world. Reflecting the unintended green boost to OPEC's power, the president-designate of the coming United Nations environmental conference, COP28, will be the United Arab Emirates's Sultan

Al Jaber, who heads the Abu Dhabi National Oil Co., one of the largest fossil-fuel companies in the world.

Looming over it all is yet another grim reality that the technocrats crafting the energy transition failed to predict. Their optimistic calculations about the cost of the transition assumed that the artificially low interest rates of the past decade would persist indefinitely. Now that the world is back to normal interest rates, many green investment projects no longer make

Greens forget the insight that crude interventions often make things worse.

sense and fossil fuels are becoming more attractive to consumers. Green-energy producers are demanding a mix of larger subsidies and higher prices and in some cases have abandoned wind-farm developments as uneconomic. As governments face higher financing costs because of rising interest rates and consumers resist price increases in an inflationary era, it's not easy to see how this higher bill will be paid.

Yet despite the backlash green policies are creating globally, so far they haven't succeeded in stopping the increase in emissions. In 2022 carbon-dioxide emissions were up about 1% globally over the previous year, a figure that would have been

significantly higher if not for China's slow post-pandemic recovery.

The world's energy system is complicated and interlocks with other complex systems ranging from finance to geopolitics. Heavy-handed interventions in intricate and finely balanced systems will have surprising, expensive and undesirable side effects.

Environmentalists should understand this better than most. The key insight driving the environmental movement historically was that complex natural systems must be treated with respect. Crude interventions, however well-intentioned, can make things worse. Removing an apex predator can change a whole ecosystem. A flood-control dam that eliminates natural wetlands can make floods more dangerous. Attuned to the costs of unanticipated consequences, environmentalists urged caution and restraint by policy makers and advocated letting nature take its course.

Today's green activists have largely forgotten these truths. The consequences are visible all around, and the payback has only begun. Ham-fisted, poorly thought-out green policies, too often designed by self-interested renewable-energy lobbyists, will exact economic and political costs even as their effects on emissions continue to disappoint. The most likely result, sadly, is that the political temperature over climate interventions will keep rising even as green climate policies fall short.

Jimmy Buffett Didn't Need a Music Degree

By Shad White

Jackson, Miss.

How much should taxpayers spend on the salary of a sociology professor whose expertise is in urban stand-up comedy? What if you could spend that money on someone who teaches skills useful for the economy, like nursing or engineering? For my money, I'd prefer the latter.

Consider an example. Electrical-engineering majors earn more than \$71,000 after graduation in Mississippi—and therefore pay a lot in taxes—whereas sociology majors earn a third of that. The state nevertheless sends our public universities the same amount to educate the engineer as it does the sociologist. This makes no sense.

Moreover, human capital is mobile. Taxpayers shouldn't be forced to invest in someone only to then watch him leave.

More than 60% of anthropology majors will exit my state after graduation. The money spent on them could be educating in-demand agricultural economics grads. Because of this flight, Mississippi's taxpayers have been subsidizing the economies of big out-of-state cities for years.

Mississippi taxpayers shouldn't subsidize useless majors.

We should change how taxpayers fund public universities to remove the incentive colleges have to invest in low-skill majors. It's more expensive for Mississippi's universities to attract a top-notch computer-science professor than it is to hire the stand-up comedy expert. But because public universities get the same appropriation for students in both

computer science and sociology, the colleges have no incentive to push high-skill degrees. We should change this by encouraging the degrees that are really important.

Aren't gender-studies majors important, too? If universities think so, let them raise private funds. A taxpaying plumber shouldn't have to fund it.

What about the benefits of reading broadly? If you love German literature, great. Go to the library and start reading. Or major in math and take some classes in German literature. Or earn a degree in it, but don't ask taxpayers to help foot the bill, because you will likely need to leave the state to get a job.

Won't this proposal destroy the creative class? Again, no one is abolishing creative majors. You can still major in rhetoric. Remember, though, that may not be wise. You may never be able to repay your student debt. And

my state has produced great artists, from William Faulkner to Jimmy Buffett, who didn't major in the art form they produced. No English or music degree necessary.

Let's be honest about the ideological element, too. Most taxpayers in my state don't want their money paying for programs that seem to be little more than indoctrination factories. Some tenured faculty are dedicating their entire life's work to convincing students there are 58 genders. Mississippians don't want to subsidize that.

Some states are starting to realize this dynamic. Texas passed legislation this year to change community-college funding to fit the needs of the state economy. It's time for every state to consider the same for its public universities.

Mr. White, a Republican, is Mississippi's state auditor.

OPINION

REVIEW & OUTLOOK

LETTERS TO THE EDITOR

Biden, Trump and Cognitive Testing

Should elderly politicians, including candidates for President, undergo mandatory cognitive testing? Gov. Nikki Haley, who's in her prime at age 51, is riding this feral hobby horse again, with former President Trump, 77, along for the jaunt. "I'm all for the test," Mr. Trump said this weekend. It's an attention-getting idea but fundamentally a political gimmick.

"Congress has now become the most privileged nursing home in the country," Ms. Haley argued Saturday at a candidate forum in Iowa. "We need to have mental competency tests for anyone over the age of 75."

However compelling that may sound, the qualifications to hold federal office are set by the Constitution. That's probably why Ms. Haley acknowledged in a May article: "Failing a mental competency test would not result in removal. It is about transparency."

Yet even a toothless testing obligation most likely would be struck down. Mr. Trump in 2016 refused to release his tax returns, despite a custom of disclosure by presidential aspirants. Convinced that Mr. Trump's 1040 forms contained discrediting details and possibly Jimmy Hoffa's whereabouts, Democrats in California passed legislation to exclude from their state's primary ballot any candidate whose tax returns remained secret. The law lasted two months before it was blocked by a federal judge.

Judge Morrison England cited the 1995 Supreme Court ruling in *U.S. Term Limits v. Thornton*, which said that the Founding Fathers had "fixed in the Constitution" the qualifications for office. If California's law were upheld, it would "open the floodgates," the judge added, for forced disclosure of "confidential medical records, psychiatric and therapist records, academic records, family law records, or other privileged information."

Cognitive testing would have to be voluntary, which means politicians will do what they think is in their best interest. Mr. Trump is arguing that President Biden, at 80, isn't too old for the Oval Office, only "incompetent," which is convenient for him, since Mr. Trump is his rival's ju-

nior by a mere three years and change. Mr. Trump falls back instead on tests, saying he "aced" his evaluation a few years back.

This is like a patient bragging that he aced his colonoscopy, given that such tests are screenings for dementia, not measures of who's a "very stable genius," as Mr. Trump once called himself. One evaluation he received in office was the Montreal Cognitive Assessment, which is what Ms. Haley is calling to administer. Patients might be asked to identify drawings of animals or to repeat the digits 2-1-8-5-4 right after a doctor says them.

Presidents and Members of Congress should level honestly with voters about their health issues, including their mental capacities. Yet there is a long history of politicians divulging only what they find useful. The extent of Woodrow Wilson's debilitating stroke was kept from the public, as was John F. Kennedy's Addison's disease. Bernie Sanders didn't open his medical records amid the 2020 primaries, despite his heart attack the previous fall.

* * *

Voters can best judge a candidate's fitness for office by using their eyes and ears, which is what they're doing with Mr. Biden. No cognitive test is required to realize that he's not the man he used to be, or that his decline could always accelerate. A new CBS poll says only 34% of Americans believe Mr. Biden will probably finish a second term if he's re-elected. That means voters in 2024 will be imagining the state of the union under President Kamala Harris.

As for Mr. Trump, his age is also a concern, despite his current relative physical vigor. Only 51% told CBS they think he "has the mental and cognitive health to serve," and Mr. Trump might be getting the benefit of the doubt, since he has never been all that rhetorically coherent.

Republicans say Mr. Biden, at 80, is too old. Well, at the end of a second term, Mr. Trump would be 82. The polling indicates Americans know the truth, which is that the country would be better off with younger nominees from both parties.

What About the Next Hostages?

The Biden Administration was out in force on Monday to celebrate the return home of seven American citizens from Iran, five of whom had been in prison. We can all be grateful for their freedom, but the question we wish U.S. policy makers would do more to address is how they will prevent the next hostage-taking by a rogue regime.

"To date, under this administration, we have now brought 30 Americans home from places around the world where they were being unjustly detained. That work will continue," said Secretary of State Antony Blinken.

He added that, "At the same time, we're going to be working every single day to take steps to make this practice more and more difficult and more and more of a burden on those countries that engage in it. And you'll see in the days ahead here in New York, at the United Nations, our efforts to work with other countries to do just that."

Let's hope so, because there's no doubt that paying \$6 billion for seven Americans will encourage more such hostage-taking. Iran has paid no price for imprisoning Americans and has now been paid ransom for them. Iran snatched a couple of the Americans not long after the last hostage trade with the U.S. It's part of Tehran's business model, and it works.

After paying \$6 billion, how will Biden prevent future ransom grabs?

It's also insulting to read in that Washington Post that White House National Security Council official Brett McGurk says that "under terms that provide confidence, the funds will be spent only on a limited category of humanitarian trade: food, medicine and agricultural products. That's it."

He may be technically right about those specific funds. But that leaves the Tehran regime able to devote other funds they would have spent on those goods for such malevolent purposes as terrorism by the Islamic Revolutionary Guard Corps.

President Biden, in his statement, warned Americans not to travel to Iran, but the U.S. should be firmer and say that Americans who travel there do so at their own risk. That includes dual U.S.-Iran citizens. No ransom will be paid in the future for their release.

The U.S. and its allies will also have to make clear that Iran and other countries will pay a steep price for taking American hostages. The response can include diplomatic steps such as expelling Iranian diplomats, imposing economic sanctions, and harsher forms of retribution against Iranian assets and officials.

Rogue regimes and thugs will keep snatching and imprisoning Americans until they fear that the risks of doing so are greater than the ransom they seek.

Shawn Fain's Economic Reality Test

The United Auto Workers (UAW) strike is going on day five, and President Shawn Fain has rejected the latest offer from Stellantis of a 21% pay raise over four years. He keeps citing corporate "greed" like a mantra. Yet it was telling this weekend when he refused to discuss the union's impact on future job creation.

Asked on CBS's Face the Nation how he would make the case to Detroit auto makers to invest "in more expensive union shops rather than move to these right-to-work states," Mr. Fain ducked like a politician. UAW worker pay, he said, shouldn't be compared "to how pitiful Tesla pays their workers and other companies pay their workers."

He added: "Most of these workers in those companies are scraping to get by so that greedy CEOs and greedy people like Elon Musk can build more rocket ships and shoot herself in outer space." Mr. Fain can criticize Mr. Musk all he wants, but Tesla is the chief competitor to the Detroit auto makers in the government-mandated electric-vehicle race. That's the reality corporate CEOs have to consider, even if Mr. Fain ignores it.

According to Securities and Exchange Commission disclosures, the median worker at Tesla earned \$34,084 last year in total compensation, compared to \$80,034 at GM and \$74,691 at Ford. Stellantis said its average worker earned €64,328 (\$68,683). These internal calculations include non-production level workers as well as employees located in other countries, which in the case of Tesla includes China.

Non-union Tesla has a huge cost advantage over Detroit's Big Three.

Yet the U.S. accounts for a larger share of Tesla's workforce than it does for Ford or Stellantis. A large reason for the pay disparity is Detroit's higher retirement costs. Ford reported a \$1.2 billion cost last year for its U.S. worker retirement benefits, largely defined-benefit pensions and retiree medical care, according to its securi-

ties filings.

Detroit auto makers scrapped defined-benefit pensions and retiree medical care for new workers in 2007 as they lurched toward insolvency. But Mr. Fain wants to restore these benefits for all workers, which would create enormous new unfunded liabilities and obligations. Tesla offers its workers 401(k)s with a contribution match of up to \$3,000, which keeps a lid on future legacy costs.

We understand the financial blow that the inflation of the last two years has been for workers, and that the union wants this next contract to recover lost ground. But Ford CEO Jim Farley said last week that the UAW's demands would more than double his company's union-related labor costs and drive it into bankruptcy.

"The average pay would be nearly \$300,000 for a four-day work week," he noted. Mr. Fain insisted over the weekend that the auto makers could afford such higher pay since labor makes up a small share of a car's costs.

Yet labor is one of the few variables auto makers can control, which is why Tesla and foreign auto makers have tried to avoid unionization by expanding in U.S. right-to-work states. Mr. Fain is vindicating their decision.

Founders Understood Educating for Freedom

In attacking Gov. Ron DeSantis for disallowing instruction in wokeism and other radical doctrines in Florida's public universities, William Galston sets up a false choice: either no government limits on public-funded education or totalitarian indoctrination ("Indoctrination Has No Place in Education," *Politics & Ideas*, Sept. 13).

Contrary to Mr. Galston's invocation of James Madison, the father of our Constitution rejected the dichotomy. Madison and Thomas Jefferson, who founded the University of Virginia, expressly forbade the university from teaching principles of government "incompatible with those on which the Constitution of this state, and of the U.S., were genuinely based, in the common opinion."

Mr. Galston asks whether "regime-specific instruction should be the task of higher education." Jefferson specified just such an instruction in "general principles of liberty and the rights of man, in nature and in society," singling out John Locke's "Of Civil Government," the Declaration of Independence, the *Federalist Papers*, and a few others. Jefferson and Madison both taught that liberal education and citizenship are strengthened by disallowing instruction in despotism and by promoting education in the texts that uphold our principles of freedom.

PROF. DENNIS TETI
Institute of World Politics
Washington

Mr. Galston makes excellent points. Universities are granted special status not to be political or social activists, but to be open marketplaces of ideas and knowledge. Yet the overwhelming predominance of progressive administrators and faculty, and the resulting intolerance and groupthink, endangers the university mission.

Curricula and policies promote progressive views to the practical exclusion of all others. It is naive to claim that diversity of thought meaningfully exists in universities now so captured by a single philosophical, economic and political regime.

Few seem to have offered more than laments or exhortations for administrations and faculty to "do better." And simply prohibiting the teaching of a few specific target concepts, such as critical race theory, is insufficient. Changes must be made not simply only in speech codes, but also in faculty hiring, tenure and promotion to more accurately reflect the entirety of academic and philosophical thought.

Institutional curricula and financial support must not favor a single progressive perspective to the exclusion of all others. Ultimately, trustees of the universities must be made accountable to choose leadership that will more fairly represent the (classical) liberal philosophy in allocating resources.

D. NATHAN COPE
Atlanta

Poland Is the New West Germany in NATO

Edward Luttwak's assertions in his response (*Letters*, Sept. 12) to my op-ed ("Station U.S. Troops in Poland, Not Germany," Sept. 6) seem to be more bias confirmation than analysis of the security environment. First, U.S. troops are based in Germany because that is where our legacy military installations are located, rather than because they are "conveniently stationed there to be deployed anywhere in Europe or beyond."

Second, Germany has disarmed to an extent that it isn't able to do much of anything when it comes to military power, with no sign this will radically change anytime soon. By contrast, Finland, the Baltic states, Poland and Romania are building up their militaries at scale and pace.

I don't know who in Warsaw told Mr. Luttwak that Poland purchased attack helicopters to look good "on peacekeeping missions." Never once have I heard pronouncements of this kind. Instead, whether in Warsaw, Helsinki or Tallinn, I have witnessed a clear recognition of the Russian threat and a determination to rearm.

ANDREW A. MICHTA
Director, Scowcroft Strategy
Initiative, Atlantic Council
Washington

What the New College Rankings Leave Out

Your survey on colleges is interesting but ignores those parents and grandparents who are paying full freight, i.e., no scholarships or financial aid ("College Rankings," *Journal Report*, Sept. 7). We, too, would like to know how long it takes in increased income to get back our investment.

CAROL GREENWALD
Chevy Chase, Md.

ority to the extra salary you eke out after graduation for net bucks paid in tuition—to be bizarre. For some of us, the true priority in attending college was being exposed to art, music, literature and history, and becoming a generally educated man or woman. Learning a trade can wait its turn.

CHARLES E. COATES III
Naples, Fla.

A First Amendment Victory Could Also Become a Danger

There is reason to cheer the Fifth Circuit decision ("A Rebuttal to Biden-Tech Censorship," *Review & Outlook*, Sept. 12), but like many silver linings, it may carry a storm cloud. A bedrock principle of constitutional law is that the First Amendment binds only state actors. This decision turned in part on the court's conclusion that the private companies' censorship was "significantly encouraged" by the government—a rationale that arguably blurs the distinction between the state and private actors. It could be cited in the future to sweep within the prohibitions of the First Amendment actions of private parties that those concerned about individual liberty would prefer to see unregulated.

KENNETH A. MARGOLIS
Chappaqua, N.Y.

Where Was the Blowback?

Regarding your editorial "Gov. Grisham vs. the Second Amendment" (*Sept. 14*): The New Mexico governor has received near-universal blowback for trying to suspend the Second Amendment. It's a shame that didn't happen when governors like J.B. Pritzker of Illinois and Gretchen Whitmer of Michigan shut down churches and destroyed small businesses, while allowing urban mobs free rein. Attorney General William Barr explained that there was no pandemic exception to the Constitution, but few listened.

KEITH JOHNSON
St. Charles, Ill.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I'm not out of shape. I'm just not used to running so much."

OPINION

The CIA Politicizes Intelligence on China

By John Ratcliffe
And Cliff Sims

A Central Intelligence Agency whistleblower claims that the CIA rigged a report on the origins of Covid-19 to exonerate China. According to the allegation, the most senior member of a seven-member CIA analysis team “was the lone officer to believe COVID-19 originated through zoonosis.” His six colleagues thought the intelligence and science “were sufficient to make a low confidence assessment” that the disease came from a lab leak.

“The whistleblower further contends that to come to the eventual public determination of uncertainty, the other six members were given a significant monetary incentive to change their positions,” according to a Sept. 12 letter from two House committee chairmen.

A whistleblower says that analysts who favored the Covid lab-leak theory were paid to change positions.

If these claims are true, they are consistent with what we observed during our time in the office that oversees the U.S. intelligence community: a dangerous trend inside the CIA to politicize intelligence on China, and to suppress dissenting views that stray from the company line. When preparing the President’s Daily Brief, it wasn’t unusual to ask why the CIA’s China assessments seemed at odds with intelligence from the other 17 U.S. spy agencies.

Sometimes there were good reasons. But there were also times when the culture within the CIA discouraged dissent and subordinated

the truth to other considerations. When we pushed to declassify intelligence exposing some of what the U.S. government knew about the virus’s origins and the Communist Party’s initial coverup, we faced constant opposition, particularly from Langley.

Even in the chaotic early days of the pandemic, every shred of intelligence pointed to the likelihood of a lab leak. Other agencies, including the Federal Bureau of Investigation, have reached that conclusion. Yet the CIA continues to refuse to avoid such an acknowledgment—which would have enormous geopolitical implications that the Biden administration doesn’t want to face head-on.

A similar pattern was evident regarding attempts to interfere in U.S. elections. In 2020, the intelligence community was tracking a plan by China to hurt President Trump’s prospects for re-election. That August the network-analysis firm Graphika reported on social-media activity from what it called “Spamouflage Dragon” and described as a “pro-Chinese political spam network.” It was posting English-language videos that “attacked” Mr. Trump and his policies. Although Graphika didn’t have evidence these operations were led by the Chinese government, the U.S. intelligence community did.

But when the intelligence community presented its March 2021 report on foreign election threats, the majority assessment was that China hadn’t sought to influence the 2020 race. Only one analyst disagreed. We knew of this conclusion while still in office and had seen the full body of intelligence, which seemed to show China participating in the same types of election-influence operations as Russia and Iran.

How could the majority view be otherwise? We were told the CIA simply didn’t believe there was evidence



GETTY IMAGES

the Chinese government was behind these activities. But nobody can do anything in China without the consent of the Communist Party.

An investigation by the intelligence community’s analytic ombudsman got to the heart of the matter: “China analysts were hesitant to assess Chinese actions as undue influence or interference . . . because they tend to disagree with the [Trump] administration’s policies, saying in effect, ‘I don’t want our intelligence used to support those policies.’”

The ombudsman also found that “there were strong efforts to suppress” the view that China had sought to influence the election to hurt Mr. Trump, including by “CIA Management.” The dissenting analyst, Christopher Porter, wrote last year that when the Biden administration took over, it immediately removed election-threats analysis from his portfolio “because I had taken a dissent on the China influence issue.”

Last month Meta reported that Spamouflage Dragon is “the largest known covert propaganda operation

ever identified” on Facebook and Instagram and that it has connections with “Chinese law enforcement.” That means the Chinese Public Security Ministry, which administers the country’s Great Firewall.

The CIA has gotten the message that objective analysis jeopardizing what is now the administration’s accommodating posture toward China won’t be well-received. These political expectations trickle down to the apolitical CIA officers who devote their lives to searching for truth and keeping the American people safe.

The New York Times in 2020 quoted an anonymous former intelligence official who accused us of “conclusion shopping” on Covid origins and even compared our pursuit of the truth to “the Bush administration’s 2002 push for assessments saying that Iraq had weapons of mass destruction and links to al Qaeda, perhaps the most notorious example of the politicization of intelligence.”

History has disproved the accusation against us, but the underlying point—that politics shouldn’t drive the work of intelligence analysts—is an important one. If the intelligence

Inflation Will Continue Until Morale Improves

FREE
EXPRESSION
By Gerard Baker

As Joe Biden’s approval ratings sink deeper into the mire, Democrats and their allies in the media are puzzled and dispirited by the ingratitude of the American people. Here he is, the kindly old man who came out of retirement to save American democracy, cool a burning planet, restore faith in the nation’s global leadership, abolish prejudice, end poverty, and allow us the freedom to choose our own pronouns, and what thanks does he get? Three quarters of Americans say he shouldn’t run again.

It’s almost enough to make you want to chuck it all in and make some serious money shaking down foreign governments and companies with members of your family.

The left’s frustration with the inconvenient views of the masses has long been a burden for them. But one thing in particular is currently amplifying their lament: Why are

Americans so unhappy with the economy when everything is going so well?

Look, they say, unemployment is low, inflation is falling, real incomes are rising. That recession the doom-sayers have been predicting for a year or more isn’t in sight. Growth in the current quarter is roaring along at an annual rate of nearly 5%. The Federal Reserve is almost done raising interest rates. The housing market hasn’t collapsed. Everything is rosy.

Yet according to a Quinnipiac University poll last week, in line with all recent surveys, 60% of voters disapprove of Mr. Biden’s handling of the economy; 35% approve.

Paul Krugman, who once conducted Nobel Prize-winning scholarship on subjects like international trade but now mainly ventilates partisan hackery for the New York Times, has been hot on this topic. Noting that surveys of personal finances also suggest Americans are generally content with their own condition but don’t like the state of the general economy, he blames right-wing media for telling credulous people stuff that isn’t true: “We’re living

in a world in which what people believe may have little to do with facts, including the facts of their own lives.”

Others, in a slightly less partisan way, have noodled over the apparent disconnect between the direction of headline economic indicators and public sentiment about the economy. The

Why aren’t Americans happy with the Biden economy? The answer couldn’t be more obvious.

Economist, developing work first published on Twitter by an anonymous user called quantian, notes a sharp break in recent years in a longstanding relationship between consumer-confidence measures and a basket of actual economic data. From 1980 to 2020 the regularly published University of Michigan consumer-confidence index closely tracked that basket. But since 2020, confidence has plummeted even as most of those variables have actually remained relatively robust.

So what’s going on? Quantian refits the model to isolate the different variables and find out what’s causing the gloom and says that interest rates are the key—the 5-point increase in the federal-funds rate in the past 18 months, and its consequences, has overwhelmed all other factors in the eyes of Americans: “The clear-cut, data-backed . . . reason Biden is unpopular is because Jerome Powell is making people’s mortgage rates go up.”

Perhaps, but I’d suggest there’s an even more obvious way of looking at the same thing. To adapt a famous presidential campaign slogan, it’s the inflation, stupid.

The time frame of the Michigan tracking model is a giveaway. Between 1983 and 2020, and especially after 1991, inflation was tame, so the weight it was given was suitably small. But in the past two years it has surged—back to the top of public consciousness. The outside impact on Americans’ confidence in the economy is no great mystery.

Rapidly rising prices have had two deleterious effects on economic sentiment. First, they have cut spending power. Between the second quarter of

community fails to foster a culture that encourages full consideration of dissenting views, the results can be catastrophic.

Reforms are needed to ensure intelligence analysts can offer dissenting opinions in writing without needing their supervisor’s approval. Their military and diplomatic counterparts already enjoy this protection, which ensures that political leaders receive the best possible input.

The intelligence community also needs a renewed sense of accountability. Senior bureaucrats currently hold their rank and pay for life, with benefits lasting into retirement, even if they oversee major intelligence failures, suppress analysts’ findings or are caught harassing subordinates. The good work of the CIA is necessarily hidden from public view. That means the agency never gets the credit it deserves—but it also allows rotten leadership to evade accountability. Congress should end the practice of lifetime appointments and subject these high-level officials to Senate confirmation, bringing the intelligence community’s personnel system in line with the State Department and military. Officials who betray the public trust—either by bad acts in office or by politicizing their credentials after leaving—should be stripped of their security clearances.

An inscription in the wall of the CIA’s headquarters quotes John 8:32: “And ye shall know the truth and the truth shall make you free.” The American people need to know that the CIA gives its best insight to every president without weighing the domestic political implications of their analytic judgment. It’s the least a democracy should expect of its secret intelligence service.

Mr. Ratcliffe served as director of national intelligence and Mr. Sims as deputy director for strategy and communications, 2020-21.

The Oslo Accords Began Israel’s Folly With the Palestinians

By Amir Avivi

Barbara W. Tuchman opens her iconic 1984 book, “The March of Folly: From Troy to Vietnam,” with Rehoboth, who caused the Kingdom of Israel to splinter into Judah and Israel. If Tuchman were writing today, she might have ended it with another wretched chapter from the history of Israel—the great folly of Oslo.

Tuchman defines folly as the pursuit by government of policies contrary to its own interests, whose adverse effects are apparent in real time, with the availability of feasible alternatives. The perpetrators are a group, not a single ruler, whose leadership spans longer than a generation. Israel’s implementation of the Oslo Accords, which were signed 30 years ago this month, meets all her criteria.

The folly of Oslo lies not in the

creation of Palestinian autonomy (or as Yitzhak Rabin repeatedly called it, “less than a state”), which was part of the peace agreement Menachem Begin forged between Israel and Egypt. This idea was popular in Israel. But the decision to negotiate with the Palestine Liberation Organization, a blood-thirsty terror organization devoted to the destruction of Israel, was an act of sheer folly. Viable alternatives existed, first and foremost local leaders in the Arab cities in Judea and Samaria and the Gaza Strip.

In the days between the 1991 Gulf War and Oslo, PLO leader Yasser Arafat was a regional outcast because of his support for Saddam Hussein against the American-led Arab coalition. His prestige and the PLO’s suffered greatly. Yet Israel allowed Arafat to become a global player and even fur-

nished him with weapons.

The implementation of the Oslo Accords in 1994 began with the Israel Defense Forces’ withdrawal from city centers in Gaza and redeployment around Israeli communities. Arafat and the PLO immediately started building a domestic military industry to produce rockets, explosives and mortars and to dig tunnels. In seven years, Gaza went from the stone age to firing rockets, in what may be the fastest military transformation in the modern age. The adverse effects of the Oslo Accords were abundantly clear. Israel saw them and could have responded but didn’t. I remember trying to wrap my head around this inaction as a young major in the IDF while building fortifications around Israeli communities in Gaza.

Rather than reassess, the Israeli government decided to expand the folly, withdrawing Israeli troops

from Palestinian cities in Judea and Samaria as well. We military professionals on the ground weren’t surprised when the Palestinians created hundreds of explosives workshops there. Israel soon faced

Negotiating with PLO leader Arafat instead of other local leaders has led to intractable conflict.

an unprecedented wave of suicide murderers and other terrorists. To restore security, Israel was forced to reconquer the city centers through Operation Defensive Shield, after more than 1,000 Israeli civilians had been murdered by terrorists across the country. Prime Minister Ariel Sharon exacerbated the situation

further in 2005, when he unilaterally and unconditionally withdrew Israeli troops and settlements from Gaza, allowing a failed terror state to sprout in our backyard.

How miserable was Oslo? Research from the Israel Defense and Security Forum shows that Israeli civilian casualties resulting from terror attacks increased ninefold in the years following the accords’ implementation (1994-2022) compared with the years since Israel’s founding (1948-93). But those tragic deaths aren’t the whole story.

The sad truth is that Israel unwittingly allowed the creation of a global terrorist network that directs international efforts to challenge Israel’s legitimacy and fuels anti-Semitism. The Arab citizens of Israel are now subject to intense Palestinian propaganda, while international funds provided to the Palestinian Authority support terror activities and the gradual takeover of Judea and Samaria. Palestinian curriculum is rife with Israel hatred, creating generations of future terrorists and diminishing the prospects of future peace.

The idea behind the Oslo Accords might have been noble, but the implementation was deeply flawed. I hope that after Mahmoud Abbas, Arafat’s 87-year-old successor, passes from the scene, conditions will allow a new and positive path forward, for the sake of Israelis and Palestinians alike.

Brig. Gen. Avivi serves in the Israel Defense Forces Reserve and is chairman and founder of the Israel Defense and Security Forum.

Notable & Quotable: Wenner

From David Marchese’s Q&A interview with Rolling Stone co-founder Jann Wenner for the New York Times, Sept. 15:

Rolling Stone had a history of producing certain kinds of stories that ended up being definitive. But there were a handful of stories that raised questions of integrity. The U.Va. campus rape story would be one of those. Even Hunter S. Thompson—I don’t know that anyone would hold him up as a beacon of factual accuracy, regardless of the literary merit of his stories. Was there anything endemic

to Rolling Stone that caused you to put the pursuit of the juicy story ahead of concerns with accuracy?

One word answer: no.

Is it just one-offs?

The University of Virginia story was not a failure of intent, or an attempt to be loose with the facts. You get beyond the factual errors that sank that story, and it was really about the issue of rape and how it affects women on campus, their lack of rights. Other than this one key fact that the rape described actually was a fabrication of this woman, the rest of the story was bulletproof.

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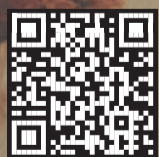
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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Tuesday, September 19, 2023 | B1

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Instacart Prices IPO at Top End

Delivery company is valued at \$9.9 billion ahead of Tuesday's trading debut

By CORRIE DRIEBUSCH AND JAEWON KANG

Instacart said it set a price of \$30 a share for its initial public offering, at the high end of expectations, in a further sign of resurgence in the IPO market.

At that price, the grocery-

delivery company, which had been aiming for \$28 to \$30 a share after raising its target range, would be valued at \$9.9 billion on a fully diluted basis. The pricing sets the stage for the San Francisco-based company to start trading Tuesday on the Nasdaq exchange under the symbol CART.

Instacart's IPO follows the successful debut last week of British chip designer Arm, and should its shares trade well too, that could help set the stage for more startups to list their stocks.

After nearly two years of dormancy, the IPO market is picking up, and so is investor demand for new issues. On Thursday, Arm's stock jumped 25% in its stock-market debut. That performance, as well as feedback from meetings with prospective investors, emboldened Instacart to raise its target price range last week from \$26 to \$28 per share.

Public investors may be ready to dip their toes back into the world of new issues, but they are more sensitive to price than in the boom days of

2021. Many of the 2020 and 2021 class of IPOs trade below their initial prices, meaning funds that bought stock in those deals are potentially sitting on losses. Instacart is aiming for a far lower valuation than the \$39 billion it commanded in a funding round in 2021.

Success for Arm and Instacart, as well as marketing automation platform Klaviyo whose IPO is expected to price on Tuesday, could open the window for others like trendy shoe designer **Birkenstock**,

which is expected to make its stock-market debut in October. Bankers and lawyers say some other companies are also preparing stock-offering documents for later this year, though any big wave of IPOs is more likely to occur in early 2024.

Founded in 2012, Instacart sends couriers to grocery stores to pick out and deliver orders to people's homes. The company has raised more than \$2 billion in venture-capital funding and has long said it

Please turn to page B4

Tesla, Saudis Discuss EV Plant

Saudi Arabia is in talks with Tesla about setting up a manufacturing facility there, people familiar with the discussions said, as part of an ambitious push by the kingdom to secure metals needed for electric vehicles and help diversify its economy away from oil.

By Stephen Kalin, Julie Steinberg and Summer Said

The talks are at a very early stage and could fall apart. Any deal could be fraught with complications, given Tesla Chief Executive Elon Musk's contentious relationship with the Saudis as well as the kingdom's existing partnership with the company's electric-vehicle rival, **Lucid Group**.

Tesla didn't respond to a request for comment before publication of this article. After publication, Musk tweeted that the article was "utterly false."

Saudi Arabia has been wooing Tesla with the right to purchase certain quantities of metals and minerals the company needs for its EVs from countries including the Democratic Republic of Congo, some of the people said. The Saudis approached the Congolese government in June about securing assets in the country, which supplies around 70% of the world's cobalt, The Wall Street Journal has reported.

One of the proposals Saudi Arabia is considering involves extending financing to commodities-trading giant **Trafigura** for a flailing Congo cobalt and copper project, which could ultimately help supply a Tesla vehicle factory in the kingdom, people familiar with the matter said.

If successful, a deal with the Saudis could help Tesla realize its aspirations to sell 20 million vehicles a year by 2030, up from around 1.3 million in 2022. Toyota was the top-selling automaker globally in 2022, with 10.5 million vehicles.

Lucid, which is majority-owned by the Saudi Public Investment Fund, is expected to start conducting vehicle reassembly on a limited scale this month at its first international plant on the kingdom's Red Sea coast as it ramps up to produce 150,000 cars annually.

Please turn to page B2

Katy Perry Is Latest Singing Star to Sell Music Catalog



GOLDEN GURL: The deal spans five of Katy Perry's albums at Capitol Records and includes the hits 'California Gurls,' 'Firework' and 'Roar.' B4

Index-Tracking ETF Fees Spiral Closer to Zero

By JACK PITCHER

Index-tracking funds are inching closer to free.

State Street last month slashed the fee on its cheapest S&P 500 exchange-traded fund, known by ticker symbol SPLG, to 0.02%—mak-

ing it less than one-quarter of the cost of its popular SPY fund that tracks the same stocks. It is now the cheapest index fund in its class. A \$1,000 investment in SPLG costs investors just 20 cents a year in fees.

The arrival of a 0.02% fund

fee—about as close to zero as many in the market expect major funds to get—is the culmination of a decadeslong fee war among asset managers.

"It is hell for issuers, but heaven for investors," said Eric Balchunas, senior ETF analyst at Bloomberg Intelligence.

An individual investor can now build a fully balanced portfolio using ETFs without paying more than 0.05% in total fees, said Susan Thompson, head of SPDR Americas distribution at State Street, compared with around a 1% average fee 20 years ago.

"I think we're getting pretty close to the end. If someone goes to zero, then they're doing it as a loss leader," Thompson said.

Fees make a huge difference over a long time horizon: A \$1 million account invested for 40

Please turn to page B10

Balmain Items Stolen Days Before Paris Show

By ALYSSA LUKPAT AND JENNIFER CALFAS

Balmain had more than 50 items from its coming collection stolen about a week before the French fashion house's designs were set to be shown in Paris.

Olivier Rousteing, the company's creative director, said on Instagram Sunday that a vehicle carrying the items was hijacked by several people on its way from the airport to Balmain's Paris headquarters.

A Balmain spokeswoman said Monday that its Sept. 27 show will go on as scheduled. The fashion house is set to

feature pieces at the show from its spring/summer 2024 collection.

The spokeswoman declined to comment on the theft. A spokesperson for Paris police said an investigation is under way. An official with the prosecutor's office in Bobigny, France, which is looking into the theft, said Monday it didn't yet know the extent of the losses.

Rousteing said on Instagram that his team will work days and nights to redo the looks for the show.

"This is so unfair," he said. "My team and I worked so hard."

Please turn to page B2

INSIDE



BUSINESS NEWS
South Africa's most valuable listed firm taps ex-SoftBank executive as chief. B3

FINANCE
IRS disaster relief acts as interest-free loans for companies based in California. B6

U.S. Business Confidence in China Drops to 24-Year Low

By NEWLEY PURNELL

HONG KONG—U.S. companies are painting the bleakest picture in decades over doing business in China as tensions between Beijing and the West are compounded by a deteriorating environment for their operations.

Fifty-two percent of 325 members surveyed by the American Chamber of Commerce in Shanghai were optimistic about their five-year business outlooks, the lowest since the survey began in 1999, the group said on Tuesday. As recently as 2021, the figure stood at 78%.

While sectors such as pharmaceuticals, legal services and retail reported slightly higher levels of optimism, they were lower in logistics, technology and management consulting because of factors such as China's crackdown on due-diligence firms, the annual survey said.

"2023 was supposed to be the year investor confidence and optimism bounced back after years of Covid disruptions and restrictions," the report said, before noting the rising challenges facing companies in China.

China's deepening economic slump is damaging the

fortunes of big U.S. companies with deep roots there, with some growing increasingly pessimistic that the country's long-awaited postpandemic boom will materialize.

Less than half of respondents saw their 2022 revenue grow compared with the previous year, the lowest in more than 15 years. Some 68% of respondents said they were profitable last year, the lowest rate since the survey began, while just 37% saw their operating margins grow from the previous year, the lowest since 2008.

The European Union Chamber of Commerce in China

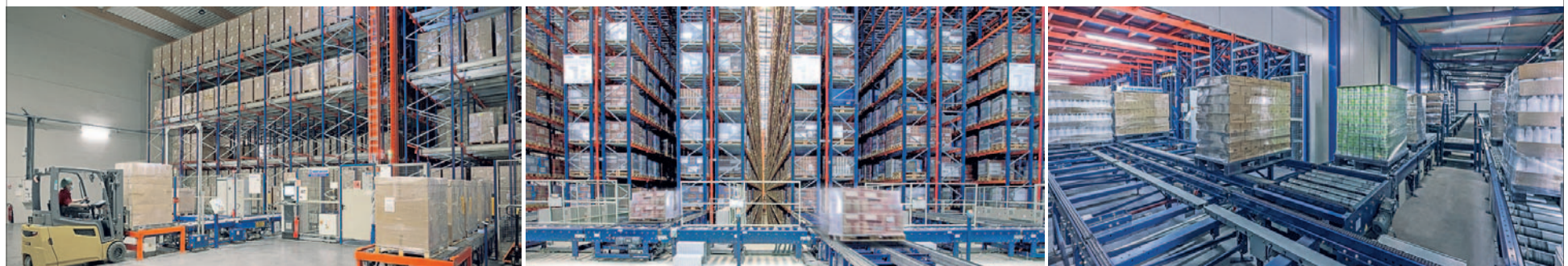
Please turn to page B2

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INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

A	Foxconn Technology.....B2	Nvidia.....B11
Adobe.....B11	H	P
Airbnb.....B11	Hanwha Aerospace.....A8	PepsiCo.....B4
Alibaba.....B12	I	Prosus.....B3,B12
Alphabet.....B6	Instacart.....B1	R
Apollo Global Management.....B11,B12	Interpublic.....B4,B6	Roivant Sciences.....A4
Apple.....A11,B11	Intuit.....B6	S
Ares Management.....B12	Invesco.....B10	S4 Capital.....B6
B	J	Shinsun Property.....B10
Balmain.....B1	Juniper Networks.....B6	Société Générale.....B3
Birkenstock.....B1	K	State Street.....B1
Blackstone.....B11	KKR.....B11	Stellantis.....A1
Block.....B4	Kraft Heinz.....B4	SVT Robotics.....B6
Blue Owl Capital.....B12	Kweichow Moutai.....B12	Syngenta.....A3
BNP Paribas.....B3	L	T
C	Lockheed Martin.....A3	Teledyne Technologies.....B6
Carlyle.....B4	Lucid.....B1	Tencent.....B3,B12
China Construction Bank.....B10	Luckin Coffee.....B12	Tesla.....A8,B1
China Evergrande.....A1,B10	Lyft.....B4	Trafigura.....B1
Cisco Systems.....B6	M - N	U
Clorox.....B3	Magna.....B4	Uber Technologies.....B3,B4
Corteva.....A3	Meta Platforms.....B6	W
D - F	Moderna.....B11	Walmart.....B4
Deutsche Bank.....B3	Molson Coors.....B4	WestCap Management.....B3
Diageo.....B12	Mubadala Investment.....B12	X
Dragos.....B3	Naspers.....B3,B12	Xcel Energy.....B3

INDEX TO PEOPLE

A	Henry, Alyssa.....B4	P
Abella, Gregg.....B11	Herren, Scott.....B6	Pollak, Julia.....A2
B	Huiyan, Yang.....A10	R
Balchunas, Eric.....B1	K	Reiter, Bob.....A3
Bekker, Koos.....B3,B12	Kashner, Elisabeth.....B10	Rousteing, Olivier.....B1
Berezin, Peter.....A1	Krupa, Slavomir.....B3	S
Blitz, Steven.....A2	L	Sample, Jamey.....B3
Blostein, Alexander.....B11	Lam, Michelle.....A10	Schwarzman, Stephen.....B11
C	Lee, Robert.....B3	Simo, Fidji.....B4
Christodoro, Jonathan.....B4	Leonard, Nick.....B6	Sorrell, Martin.....B6
D	Lerner, Keith.....B11	Spirit, Scott.....B6
Davitt, Patrick.....B12	Létang, Vincent.....B4	Stewart, Mark.....A6
Dijk, Bob van.....B3,B12	Luscombe, Mark.....B6	T
Dimon, Jamie.....A2	M	Thompson, Susan.....B1
Dorsey, Jack.....B4	Miller, Ken.....B6	Tosi, Laurence.....B3
H	Musk, Elon.....A8,B1	Tu, Ervin.....B3,B12

Balmain Is Victim Of Theft

Continued from page B1

The creative director said he found out about the theft while he was at the office waiting for the show's final items to arrive. He said the vehicle's driver was safe.

"This is the world we are living in," Rousteing said.

Paris has reckoned with a surge in robberies targeting department stores and high-end labels like Balmain, Piaget and Bulgari. Thieves have stolen expensive clothes, purses and jewelry likely to sell on the secondhand market. U.S. cities like San Francisco and Los Angeles have dealt with similar robberies.

It is extremely rare for thieves to target an unseen fashion collection, said Valerie Steele, director of the museum at the Fashion Institute of Technology.

"It's an absolute tragedy

for Olivier and his team," she said, referring to Rousteing.

However, she said, the theft could generate more publicity for Balmain's coming show.

Steele said the stolen Balmain items likely wouldn't have labels because they were made for the runway. Still, she said the pieces would likely have a distinct Balmain look that could make them each worth thousands of dollars on the secondhand market, where it can be hard to trace stolen items.

Some of the fashion industry's biggest names sent messages of support to Rousteing on Instagram. Donatella Versace, the artistic director of Versace, wrote, "I know that you and your creativity will be able to overcome this!"

Balmain, founded by designer Pierre Balmain in 1945, is known for its extravagant aesthetic and fashion shows. Rousteing became one of the youngest creative directors at a luxury label when in 2011 he took on the role at age 26. The brand under his leadership became popular with celebrities including Beyoncé and Kim Kardashian.



Economic woes and Beijing's crackdown on due-diligence firms have disturbed foreign companies. A Caterpillar display in Shanghai.

Confidence In China Slumps

Continued from page B1

echoed many of the same sentiments in a position paper also released on Tuesday that reflected the views of its more-than-1,700 member companies. The group cited concerns over the country's anti-espionage and data-security laws, among other challenges.

The American chamber's

survey was conducted between May 31 and June 30. Since then, Commerce Secretary Gina Raimondo visited China on a four-day tour that included meetings with Chinese officials and discussions with U.S. business leaders.

That visit represented "good progress" in potentially improving conditions for businesses, Sean Stein, the Chamber's chairman, said ahead of the report's release.

China's government has said it is committed to protecting foreign businesses' lawful rights and interests and creating a favorable environment for foreign investment in China, and that all foreign

companies following Chinese laws and regulations enjoy full business autonomy in their operations.

At the same time, China has been increasing data-security demands on foreign companies and cracking down on firms engaged in corporate due diligence.

In July, Beijing imposed roughly \$1.5 million in financial penalties on the Beijing arm of the U.S. due-diligence firm Mintz Group for allegedly conducting unapproved statistical work, months after local authorities detained the company's staff members.

The Wall Street Journal reported this month that China

ordered officials at central government agencies not to use Apple's iPhones and other foreign-branded devices for work or bring them into the office, people familiar with the matter said.

The EU chamber's paper said European companies had for decades benefited from investing in a fast-growing Chinese economy that featured a stable business environment.

"However, after the turbulent past three years, many have re-evaluated their basic assumptions about the Chinese market," the paper said. It was based on inputs and analysis conducted from January through August.

BUSINESS & FINANCE



A car manufactured by Lucid Group, which is majority-owned by the Saudi Public Investment Fund.

Tesla, Saudis In Talks

Continued from page B1

Musk has said Tesla is likely to need roughly a dozen factories to meet its own goal and could announce another by year-end. Tesla makes vehicles in the U.S., China and Germany and has said it plans to do so in Mexico.

Representatives for Trafigura and Saudi Arabia declined to comment.

A tie-up with Saudi Arabia would also be a boon to the kingdom's fledgling efforts to attract significant foreign investment, a priority for de facto ruler Crown Prince Mohammed bin Salman.

The attempts to snag Tesla reflect a broader Saudi initiative to gain access to metals abroad, refine them at home and plug them into a nascent ecosystem focused on renewable energy.

The country is in talks with the U.S. to secure metals in Africa needed for the energy transition, the Journal reported this month, as the White House tries to curb China's dominance in the EV supply chain and the kingdom looks to buy \$15 billion in global mining stakes.

Saudi officials say the latest overtures to Tesla, made by the country's sovereign-wealth fund, began this summer and that the crown prince has wanted for years to have a Tesla manufacturing facility in the kingdom.

Tesla is entertaining the conversation, according to

Saudi officials, who say the company could still ultimately reject the proposal.

A deal would be a surprising turn of events for Musk and the Saudis.

In 2018 PIF, which is chaired by Mohammed, purchased \$2 billion of Tesla shares available on the public markets, people familiar with the request have said.

Later that year, PIF Gov. Yasir Al-Rumayyan discussed further investment with Musk. That meeting became the precursor to tweets Musk posted that said he was taking the company private and had "funding secured."

The U.S. Securities and Ex-

change Commission later sued Musk for allegedly fraudulent statements, a case that he settled while denying wrongdoing. When Tesla's share price recovered to above the fund's entry, PIF sold the shares, missing out on a later rally. Jurors this year found Musk not liable in a lawsuit brought by investors over his tweets.

Also in 2018, PIF invested \$1 billion in Lucid, which is run by a former Tesla executive, on the condition that the carmaker set up a factory in Saudi Arabia.

PIF has since raised its stake in the company to around 60%, and Lucid has broken ground on the plant in a special economic zone on the kingdom's Red Sea coast.

PIF has also announced plans to establish from scratch its own EV company, called Ceer, in partnership with Apple supplier Foxconn.

In its recent conversations with Tesla, the kingdom has touted its labor supply, some of the people said, although the high cost of Saudi workers has often been an obstacle to attracting large-scale industrial projects outside the energy sector.

Saudi Arabia is separately in talks with Trafigura, which is seeking financial backing for a cobalt and copper project in Congo that has gone over budget, according to people familiar with the matter.

The Swiss-Singaporean trader last year struck a deal to lend Chemaf, a metals producer, \$600 million to develop the Mutoshi mine, which the

companies said would be one of the largest cobalt and copper mines in Congo. The funds would also be used to construct a processing plant and expand another at the Etoile mine. Under the arrangement, Trafigura would get to trade all the cobalt hydroxide produced by the mines.

But owing to "persistently low cobalt prices and inflationary pressures," Trafigura last month said it was working with Chemaf to review options for the projects. The trader said it remains committed to Congo and "building its presence in fast-growing battery metals markets."

The talks between Trafigura, Chemaf and the Saudis are at a very early stage and the kingdom is one of several groups being spoken to, said people familiar with the discussions. Trafigura is seeking

around \$200 million, some of the people said.

If the Saudis move forward, they would likely team up with a partner or consortium, possibly with Chinese miners already operating in Congo, some of the people familiar with the matter said. It wasn't clear how a financing package would be structured or how a offtake agreement guaranteeing the metals would look.

One potential hurdle: Trafigura had syndicated the loan to a group of banks, and the terms of any new funding would have to be approved by those lenders, said people familiar with the matter.

If a deal does get done, it would represent a further foray into overseas mining by Manara Minerals, the joint venture between PIF and state-owned mining company Ma'aden. Manara made its first splashy acquisition in July, agreeing to pay \$2.5 billion for a roughly 10% stake in Brazilian miner Vale's base-metals unit.

Trafigura has cut a central figure in Western governments' plans to secure supply chains in Africa. The trader and others last year won a 30-year concession to provide rail services and infrastructure for the Lobito Corridor, which will include a railway connecting Angola, Congo and Zambia that is key to the U.S.'s plans to transfer critical minerals around the world.

—Joe Wallace contributed to this article.

The talks are at a very early stage. Any deal could be fraught with complications.

Watch a Video

Scan this code for a video on the new Musk biography by Walter Isaacson.

photo by Roger Winstanley

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photo by Roger Winstanley

BUSINESS NEWS

CEO of Naspers and Prosus Steps Down

South Africa's most valuable listed firm taps ex-SoftBank executive as chief

BY ALEXANDRA WEXLE AND DAVE SEBASTIAN

JOHANNESBURG — Naspers said Bob van Dijk had stepped down as its chief executive, ending a near decade-long tenure that saw the company wrestle with the complications stemming from its multibillion-dollar stake in Chinese internet giant Tencent Holdings.

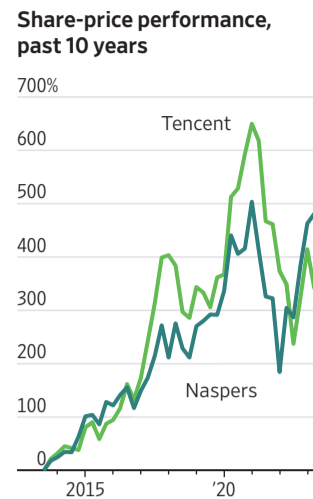
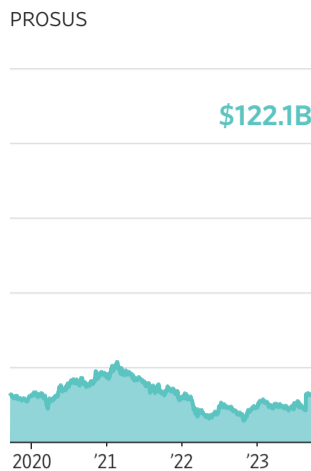
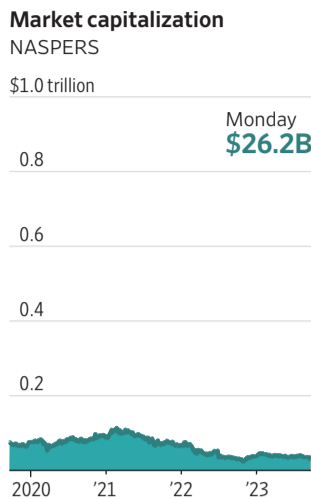
The South African internet and media conglomerate said Monday that Van Dijk would leave with immediate effect. He has also stepped down as CEO of Prosus, the Amsterdam-listed unit that houses Naspers' international assets.

Naspers Chairman Koos Bekker, the company's former CEO, said on an investor call that Van Dijk and the board had decided that now was a good time for a handover. "When you decide on a transition, it is best to execute that immediately," he said.

Naspers has appointed Ervin Tu, its chief investment officer, as interim CEO. Van Dijk will remain as a consultant and help with the transition until the end of September 2024, the company said.

The management change comes as the 108-year-old company pushes to make its e-commerce businesses and investments profitable, and works to narrow a persistent gap between the value of its shares and its stake in Tencent.

In 2001, Naspers paid \$34 million for its original one-third stake in Tencent. That was before Tencent's WeChat messaging app took off in



Sources: S&P Capital IQ (market cap); FactSet (share price)



China and Tencent grew to become the world's biggest videogame company by revenue. That stake, even after being reduced during Van Dijk's tenure, has for years been worth more than Naspers itself.

The investment helped transform Naspers from a local newspaper publisher to Africa's biggest listed company. The bet won plaudits for Bekker, who was CEO from 1997 to 2014. "You never lose with Koos" became a popular phrase with investors as the company's fortunes soared.

Van Dijk had big shoes to fill. In an interview with The Wall Street Journal about two years into the top job, he joked about what might become his



Bob van Dijk, above, stepped down as chief executive officer after a near decadelong tenure. Above left, Ervin Tu, its chief investment officer, was appointed interim CEO.

own legacy: "Never a flop with Bob?"

The Dutch executive spent years trying to tackle the valuation gap: an enigma of how to unlock value for shareholders without completely cashing out on one of the world's most successful tech companies.

As part of that effort, Naspers reduced its Tencent stake from 33.2% to about 26% during Van Dijk's tenure. Naspers also created Prosus, which holds its international assets, including the Tencent stake.

The 2019 listing of Prosus in

Amsterdam immediately created a European tech giant. In June 2022, Prosus said it would unload some of its Tencent shares to fund buybacks of its and Naspers's shares, as part of the continuing effort to bridge the valuation gap.

Tencent's market capitalization is equivalent to about \$381 billion. Prosus's stake in Tencent, valued at roughly \$98 billion, is worth more than the entire market capitalization of Prosus, which is equivalent to about \$82 billion.

Analysts and the company estimate Prosus' net asset value at about \$131 billion.

"The CEO's main mandate is to create value for shareholders and, in this case, the focus was on the large discount which Bob failed to address," said Philip Short, global equity analyst at Flagship Asset Management in Cape Town, South Africa. "The greatest and perhaps only positive driver of Naspers' share price has been Tencent. An asset which Bob and his team don't manage."

Short also criticized the company's recent efforts to narrow the gap, which he said were costly.

Over the past few years, changes in China's regulatory environment have posed challenges to Tencent and its peers.

Still, Van Dijk recently told the Journal that Prosus intended to remain a long-term shareholder in Tencent and that he was confident about its and China's consumer industry.

Replacing Van Dijk as interim CEO will be Tu, who joined Naspers in 2021 from the SoftBank Vision Fund, where he was a managing partner. At SoftBank, Tu helped oversee investments in ride-hailing company Uber Technologies and TikTok parent ByteDance.

"We are well-capitalized and we will continue to deploy our capital in a disciplined fashion," Tu told investors on Monday. "Our goal, as always, is to compound value over the long-term, as an operator and an investor."

Clorox Warns of Product Shortages

BY WILL FEUER

Clorox's quarterly earnings will take a hit from a recent cyberattack, which disrupted operations and dented availability of the company's products.

The cleaning-products maker said on Monday in a securities filing that the fallout from the attack will cause a material impact to its current-quarter financial results. The longer-term impact is uncertain, given the continuing recovery.

Shares fell 2.4% to \$142.70 on Monday.

The cyberattack on Clorox's information technology infrastructure, initially disclosed Aug. 14, prompted the company to take certain systems offline and resort to manually ordering and processing products at a lower rate than normal.

Clorox is still operating at a reduced rate, which has recently hurt product availability.

Last week, a cyberattack at



A cyberattack prompted Clorox to take certain systems offline and resort to manually ordering and processing products.

MGM Resorts International caused widespread disruption on the Las Vegas Strip, including requiring manual check-ins and the use of physical keycards so guests could access rooms.

Clorox said it believes the cyberattack is now contained

but that it caused wide-scale disruption of operations after damaging some of its IT infrastructure.

The company said it expects to begin transitioning back to normal operations next week and will increase to full production over time.

"At this time, the company cannot estimate how long it will take to resume fully normalized operations," Clorox said.

Clorox struggled through shortages during the early months of the pandemic, when surging demand for the company's namesake cleaning wipes and sprays outstripped its production capacity. Clorox boosted production, but demand abated as pandemic restrictions eased and vaccines became plentiful.

In 2020, the company's shares climbed almost 32%, but fell nearly 14% the following year and an additional roughly 20% in 2022. So far this year, shares are up 1.7%. Before Monday's trading they were up more than 4%.

Over the past year, the company has managed to keep sales growing by raising prices even as consumers pulled back on purchases of Clorox's products. For the current fiscal year, which began in July, Clorox expects sales to be flat to up 2%.

Société Générale Sinks After CEO Unveils Plans

BY PATRICIA KOWSMANN

Société Générale's new Chief Executive Slavomir Krupa laid out Monday how he wants the French lender to be a "rock-solid and sustainable top tier European bank."

It was the first time Krupa—a former investment-banking chief who became CEO in May—detailed his full vision for Société Générale. But investors appeared unimpressed, driving the bank's shares down about 12%.

Some key points from the strategic plan:

- ◆ The bank aims to streamline its business, be prudent in using capital and be more cost-efficient.

- ◆ Revenue will barely grow for years: It set an annual revenue growth target of between 0% and 2% through 2026.

- ◆ Return on tangible equity—a key measure of profitability—is seen at 9% to 10% in 2026. That is a downgrade from a 10% target for 2025 the

Société Générale's share price, past five years



Note: 10 euros = \$10.66 Source: FactSet

bank had set.

Over the past five years, Société Générale's stock has fallen. Its price-to-book ratio, a widely watched measure for bank investors, is below that of German rival Deutsche Bank, and less than half that of French competitor BNP Paribas, according to FactSet.

Cybersecurity Software Maker Dragos Raises \$74 Million

BY JAMES RUNDLE

Cybersecurity company Dragos has raised an additional \$74 million in an extension to its original Series D funding round, held in October 2021.

Dragos provides cybersecurity software specifically designed to defend industrial technology environments, such as water utilities and power-grid operators.

The extension round was led by WestCap Management, with the 2021 Series D led by Koch Disruptive Technologies. The funding will allow the company to continue its expansion outside of its traditional heartland in Europe and the U.S., said Chief Executive Robert Lee.

Dragos signed an agreement this summer with reseller Macnica to provide its products in Japan and in August signed an accord with the Cyber Security Agency of Singapore to support cybersecurity efforts.

Lee said the company's primary reason for raising more financing was "the opportunity to expand, you've got to have real reasons to take funding."

He added that bringing WestCap on board also gave the company access to a bench of advisers who have experience in the regions it aims to move into.

Dragos's funding comes as the issue of cybersecurity at critical infrastructure operators, and in particular industrial settings, has received renewed attention from the federal government. In March, the Senate held a hearing on the issue, at which Lee testified, and critical infrastructure was a significant component of the Biden administration's National Cybersecurity Strategy released in March.

Incidents such as the ransomware attack on Colonial Pipeline in May 2020 and a suspected intrusion into a water-treatment plant in Olds-

mar, Fla., in 2021 have raised concerns about the safety of critical infrastructure.

Security chiefs say that they are coming under unrelenting attack from hackers of all stripes. This includes nation-state groups and criminal attackers, said Jamey Sample, chief security officer at power company Xcel Energy. The company sometimes fends off tens of thousands of attempts a week to break into its system by phishing, botnets and other automated attack methods, he said.

"I tell my team, 'We're the battlefield commanders now, and we're the front-line battle space,'" said Sample.

The extension round brings Dragos's total funding to roughly \$440 million. Lee said that he is considering an initial public offering in the future, although this will be several years away, and is still not certain.

"There's a reason it takes longer, a reason you do it this way. And if you're just focused



A suspected intrusion into a water-treatment plant in Oldsmar, Fla., in 2021 has raised concerns about the safety of critical infrastructure.

on quickly getting there, that's benefiting your early investors who are looking at an exit," he said.

"That's not how you build long-term companies," he said.

During a boom period of investment into cybersecurity companies around 2020 and 2021, some companies quickly

accessed public markets. But amid the current economic uncertainty, some have since delisted. Others merged with special-purpose acquisition companies, a setup that allows businesses to list without going through a traditional IPO process.

"Some people went public too early, and that really can

be damaging to a company. Rob is so focused on the breadth of his mission and he's underestimating the gravity of what he's undertaking, that I think he'll be patient," said Laurence Tosi, founder and managing partner at WestCap. "It will be a public company at some point, we just don't know when yet," he said.

TECHNOLOGY & MEDIA

Magna Raises Full-Year Ad Forecast

Industry growth is being driven by digital media but TV is under pressure

By MEGAN GRAHAM

A major ad forecaster has increased its full-year forecast for U.S. advertising spending in 2023, reflecting a better economic outlook and a continued flood of marketer spending into certain digital ad formats.

Magna, a media investment firm that is part of Interpublic Group's Mediabrands and conducts industry research, said it raised its forecast for U.S. ad growth this year to 5.2%, for a total of \$337 billion, up from the prediction it made in June of 4.2%. The figures exclude spending around cyclical events.

Although the media industry earlier this year had been bracing for a recession, advertisers continued spending to support their brands and sales, the report said.

"We're not out of the woods yet. But still, we slightly increased our expectation for advertising spending and advertising revenues in the second half," said Vincent Létang, executive vice president of global market intelligence at Magna and the report's author. "It's the first time we've raised the expectation in three or four updates. It might be a turning point."



Marketers in retail and packaged goods sectors were among the quarter's strong spenders.

pharmaceuticals, retail and consumer packaged-goods sectors delivered strong spending in the second quarter, according to Magna. Spending was flat or slightly up for automotive and entertainment brands, while the financial and technology sectors were down year over year.

ers such as Kraft Heinz and Molson Coors have said they were investing more in marketing during their second-quarter earnings reports, with Molson Coors saying it planned to increase marketing by \$100 million in the second half of the year.

U.S. spending growth is being driven by digital media, which Magna forecasts to in-

crease 9.6% in 2023. One highlight of the sector has been the so-called retail media space, which refers to offerings from companies such as retail giant Walmart or ride-hailing service Uber Technologies that let advertisers use the companies' data to target ads to their customers.

Advertising spending on traditional media is expected

to shrink by 3.6% this year, Magna said.

Magna predicted more of the same for next year. Ad sales excluding cyclical events such as presidential and other elections and the Summer Olympics in Paris will be down 3% for national TV and 5% for local TV in 2024, the ad forecaster said.

The continuing writers' strike could bruise traditional TV, leading to a potential lack of new content in the first half of 2024 and possibly further spurring long-term viewing declines, the firm said.

MoffettNathanson analysts in a note last week said the actors and writers' strikes continue to impact scripted content schedules, putting further pressure on advertisers to find places to reach potential customers, among other concerns for the medium.

Traditional TV networks are being squeezed as advertisers shift ad dollars to targeted spending on digital platforms to avoid any "waste" associated with traditional methods, which tend to reach wider pools of consumers than digital offerings, the analysts added.

"As the focus for advertisers evolves from a singular goal of driving efficient reach to one that now includes maximizing audience attention, buyers can open up a broader set of inventory options," they wrote. "That would seem to be the final blow to the traditional linear model, devaluing its core remaining advantage of offering efficient reach."

Katy Perry Sells Catalog To Litmus Music

By JOSEPH PISANI

Katy Perry is the latest pop star to sell the rights to her musical catalog.

Perry's catalog was sold to Litmus Music, a rights-management company backed by the investment firm Carlyle Group. Litmus declined to say how much it paid.

The deal spans five of Perry's albums at Capitol Records and includes the hits "California Gurls," "Firework" and "Roar."

Perry, who is a judge on the music competition show "American Idol," has been performing in Las Vegas since 2021 for a residency at Resorts World hotel and casino. Her most recent album was 2020's "Smile."

Representatives for Perry and Capitol Records didn't respond to requests for comment Monday.

Other artists have sold their catalogs in recent years, including John Legend and Bruce Springsteen. Earlier this year, pop star Justin Bieber sold his music rights to Blackstone-backed Hipgnosis. The Wall Street Journal had previously reported that the deal had an expected value of around \$200 million.

Catalog buyers collect the revenue the recordings generate on streaming platforms, or if they are used in commercials, videogames and other places.

Perry, who is 38 years old, rose to fame in 2008 with the song "I Kissed a Girl," which topped the charts for seven weeks, according to Billboard. She performed during the Super Bowl halftime show in 2015.

Lyft Settles SEC Probe of Share-Sale Disclosure

By DAVE MICHAELS

Lyft agreed Monday to pay \$10 million to settle a Securities and Exchange Commission investigation over a former board member's involvement in selling a large chunk of the company's shares before its March

2019 initial public offering.

The SEC said the former director was paid millions of dollars to structure and negotiate the \$424 million share sale. The seller was a large Lyft investor who wanted to unload the company's stock before the public sale and avoid the customary

post-IPO lockup agreement.

The Wall Street Journal reported in April 2019 that Jonathan Christodoro, a Lyft board member until March 2019, facilitated the sale of a 2.7% stake of Lyft from one investor to another.

Lyft initially rejected the

share sale due to concerns about insider trading liability. To address that worry, the Lyft director acted as a kind of middleman on the transaction.

The regulator faulted Lyft for not disclosing the ex-board member's role and com-

pensation to shareholders. The board member left Lyft at the time of the sale, the SEC said. Christodoro declined to comment.

Lyft neither admitted nor denied the SEC's claims, and didn't respond to a request for comment.

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CEO of Payment Platform Square To Exit, With Dorsey Stepping In

By ANGEL AU-YEUNG

Alyssa Henry, chief executive of payments platform Square, is stepping down, according to a regulatory filing late Monday by Square's parent company, Block.

Jack Dorsey, chief executive of Block, will step in to succeed Henry, according to the filing.

"Ms. Henry has worked at Block for over nine years and provided significant contribu-

tions to the company during that time," the filing said. It didn't give a reason for her departure.

Henry's last day at Square will be Oct. 2, the filing said.

This month, Square was hit by global outages that left thousands of businesses unable to access their accounts or process credit-card payments for more than 24 hours.

"As CEO of Square, Alyssa Henry helped transform the

business into a software-led technology company, guided the team during the uncertainty of global pandemic lockdowns, and expanded our breadth of services for small businesses around the world," a spokeswoman for Block said. "Square is what it is today in large part because of Alyssa's leadership and we wish her the best in her future endeavors."

Block's stock slipped 2% in after-hours trading.



The offering would value the grocery-delivery company at \$99 billion on a fully diluted basis.

Instacart IPO Prices At \$30

Continued from page B1 expected to go public. Under Chief Executive Fidi Simo, Instacart has been expanding its core grocery-delivery business while expanding into other areas such as advertising.

Instacart is pitching itself as a grocery-technology com-

pany that can assist food retailers as the industry undergoes changes, offering delivery, in-store technology, advertising and data services that are tough to build from scratch.

Instacart said in filings that its revenue rose about 31% to roughly \$1.5 billion in the first six months of the year compared with the same period in the prior year. The growth of its core delivery business is slowing, with the number of orders remaining relatively flat, while revenue from advertising and other businesses rose about 24%.

The company generated

\$242 million in profit, up from a \$74 million net loss a year earlier.

Instacart has lined up \$400 million in commitments from investors for the IPO. PepsiCo separately agreed to purchase \$175 million in convertible-preferred stock in a concurrent private placement.

The company, together with former executives and senior employees, is selling less than 10% of itself in the offering. The money raised by Instacart will in part be used to pay for taxes and costs associated with restricted stock units, or stock awards given to employees.

Alex Hussey



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BUSINESS & FINANCE

Tax Deferrals Buoy California Firms

IRS disaster relief acts as interest-free loans for companies based in the state

By JENNIFER WILLIAMS-ALVAREZ AND RICHARD RUBIN

Some of the largest and most profitable U.S. companies are postponing billions of dollars in tax payments—interest-free, at a time when borrowing costs are rising—because of disaster-related deferrals. The relief is boosting profits and cash flows.

The Internal Revenue Service offers tax relief in the wake of disasters to help individuals and companies recover and to give them more time to gather records that may have been damaged. Hurricane Idalia in Florida and the wildfires in Hawaii, for instance, activated tax deferrals in those areas. For nearly all residents and businesses in California, the IRS delayed the tax dead-

line for victims of last winter's severe storms, flooding, landslides and mudslides that have caused fatalities, disrupted thousands of lives and led to billions of dollars in damages. This is pushing quarterly income-tax payments through-out 2023 to mid-October.

In California, that means billions in taxes that companies have been able to put on the back burner, according to corporate disclosures. The relief applies to nearly all the state's counties for around nine months, an unusually long period, tax experts say. With the concentration of corporate headquarters in the state—67 S&P 500 companies, according to data provider S&P Global Market Intelligence, making it the most popular domicile for the largest U.S. companies—significant benefits are going to some of the most profitable American companies.

Cisco Systems said it has deferred roughly \$2.8 billion in federal tax payments. Intuit

says it has deferred around \$700 million. Teledyne Technologies, meanwhile, has delayed some \$102 million and anticipates adding around \$37 million to that deferral in its third quarter, which ends in early October—before the Oct. 16 deadline when all deferred payments must be made.

California businesses may have already made estimated payments for their 2022 taxes. With the IRS relief, however, they can postpone payments that may still be due, said Mark Luscombe, a principal federal tax analyst for Wolters Kluwer Tax & Accounting. “So there’s still the potential for deferral,” he said, adding that the length of the California relief is “longer than typical.” And those companies deferring payments effectively have more cash on hand and aren’t on the hook for interest or penalties for missing deadlines, according to Luscombe.

Companies will still have to pay the taxes, but deferring them can bring benefits, because it is effectively an interest-free loan from the federal and state governments. For example, a company that doesn’t have to borrow \$100 million for six months, at the rate currently in the range between 5.25% and 5.5%, would save \$2.75 million at the top end.

The deferrals end next month, and companies will have to make the postponed payments. In the meantime, they have helped burnish balance sheets.

At Cisco, for instance, the relief lightened a steeper tax bill it and other companies



Cisco Systems has deferred about \$2.8 billion in payments.

had been facing due to a change in tax law on the treatment of research-and-development spending. Absent the deferral, Cisco would have seen “significantly higher cash paid for income taxes,” the company said in a regulatory filing.

Moreover, the \$2.8 billion deferral is boosting the company’s finances. Cisco reported net income of \$12.6 billion for the fiscal year ended July 29, up 7% from a year earlier, and operating cash flow of \$19.9 billion—a 50% increase. Those results were in part driven by the federal tax deferral, Chief Financial Officer Scott Herren told analysts last month.

Cisco said it would be writing the federal government a large check during its first quarter, which ends in late October. “Our cash paid for income taxes for the first quarter of fiscal 2024 will significantly increase as a result of these deferred federal

tax payments,” the company said.

The IRS disaster relief is offered to companies based in a particular location or if key tax records are located there. The state of California, which has also postponed tax deadlines, projects that the date change will shift \$42 billion into state coffers in October from earlier in the year. Nearly one-third of that—or \$13.3 billion—is anticipated from corporations. As federal taxes are generally higher than state taxes, the surge is likely to be larger at the federal government; the deferred individual and corporate revenue has contributed to an unusual decline in U.S. tax collections.

Alphabet and Meta Platforms are among the companies deferring taxes, according to regulatory filings, though they haven’t disclosed exact figures. Infrastructure hardware provider Juniper Networks had postponed roughly

\$200 million as of June 30, benefiting the company’s operating cash flows, said Chief Financial Officer Ken Miller on a late July call with analysts, which at \$343 million for the quarter ended June 30 were up 28.5% compared with a year earlier.

Neither Meta nor Juniper Networks responded to requests for comment. Alphabet declined to provide a specific figure.

Mountain View, Calif.-based Intuit, which owns TurboTax, Credit Karma and Mailchimp, deferred roughly \$700 million as disaster-related tax relief, according to a regulatory filing. The company expects to pay that amount in its first quarter of fiscal 2024, which ends next month. Intuit’s net income for its fiscal year ended July 31 was \$2.38 billion.

Teledyne deferred approximately \$102 million of federal income tax payments for the three-month period ended July 2. The Thousand Oaks, Calif.-based electronic-instrument maker anticipates delaying an additional roughly \$37 million in its current quarter.

“As a result, our cash paid for income taxes in the fourth quarter of fiscal 2023 will significantly increase because of these deferred federal tax payments,” Teledyne said in a regulatory filing.

Disaster-driven deadline extensions are “designed to help everybody,” according to Luscombe. They typically cover both individuals and businesses, he said, even if the need for more time can be very different.

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CAREERS



General Manager

Van Tuyl Companies is one of the finest and fastest growing automotive dealer groups in the nation. We are looking for a dynamic General Manager for an upcoming acquisition. West Coast large scale Mercedes Benz opportunity. You must be a hands on "people person" that can recruit, hire, motivate and direct a sales and management staff and turn them into a winning team. At Van Tuyl Companies our top priority are our PEOPLE, CSI and ESI. You will be in charge of every aspect of the dealership, including sales and gross generation, traffic management, inventory management, expense control, marketing, forecasting and staffing. You must be able to build a stable management staff. We are looking for a self starter, goal orientated take charge leader that is honest and ethical with verifiable references. You must have top level automotive dealership experience with a stable track record. You will be in charge of your own destiny with unlimited income potential. New and Used vehicle market dominance will be your primary focus, while building a strong relationship with our manufacture partner. At Van Tuyl Companies our standard for expectations are higher than normal, yes we ask a lot however the rewards are more than worthwhile. You must be the best of the best and at the top of your game. Buy in opportunity to the right person, who can prove themselves a truly dedicated partner. Please send resume, references and 3-year salary history to: raonathan@vtcompanies.com

NOTICE OF SALE

UCC Public Sale Notice

Please take notice that Eastdil Secured, L.L.C., on behalf of RE-US HYCE Holding, L.P., a Delaware limited partnership ("Secured Party") offers for sale at public auction on November 15, 2023 at 10:00 a.m. (prevailing Eastern Time) at the offices of Gibson, Dunn & Crutcher LLP, located at 200 Park Avenue, New York, New York 10016, and also being broadcast for remote participation via a virtual videoconference, in connection with a Uniform Commercial Code sale, 100% of the limited liability company interests in 16 EAST 39TH STREET LLC, a New York limited liability company (the "Pledged Entity"), and all other collateral pledged by 16 EAST 39 MEMBER LLC, a Delaware limited liability company ("Debtor") under that certain Pledge and Security Agreement, dated as of July 9, 2021 (as amended, supplemented or otherwise modified from time to time, the "Pledge and Security Agreement") made by Debtor in favor of Secured Party (collectively, the "Collateral"). Debtor directly owns the Pledged Entity, which directly owns certain real property commonly known as Hyatt Centric, located at 16 East 39th Street, New York, New York 10016 (the "Premises").

Pursuant to that certain Pledge Agreement, dated as of July 9, 2021 (as the same has been amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), by and between Pledged Entity and Secured Party, a loan was made to Pledged Entity in the original principal amount of \$75,000,000.00 (the "Loan"). In connection with the Loan, Debtor has granted to Secured Party a first priority lien on the Collateral pursuant to the Pledge and Security Agreement. Secured Party is offering the Collateral for sale in connection with the foreclosure on the pledge of such Collateral. The Loan is also secured by, among other things, a mortgage encumbering the Premises. The sale of the Collateral will be subject to all applicable third-party consents and regulatory approvals, if any. The Collateral is being offered as a single lot, "as-is, where-is", with no express or implied warranties, representations, statements or conditions of any kind made by Secured Party or any person acting for or on behalf of Secured Party, without any recourse whatsoever to Secured Party or any other person acting for or on behalf of Secured Party and each bidder must make its own inquiry regarding the Collateral. The winning bidder shall be responsible for the payment of all transfer taxes, stamp duties, and similar taxes incurred in connection with the purchase of the Collateral.

Secured Party reserves the right to (i) credit bid, (ii) reject any bid if Secured Party determines that such bid was made by a participant that is not a Qualified Bidder (as defined in the Terms of Sale), (iii) accept a lower bid if the bid is on terms that Secured Party determines is more favorable to Secured Party or is from a bidder that, in Secured Party's determination, offers a more certain likelihood of execution, (iv) adjourn the sale to another date and time, and (v) impose any other commercially reasonable conditions upon the sale of the Collateral as Secured Party may deem proper. Each prospective bidder (other than Secured Party or its affiliate) will further be required to represent in writing to Secured Party, among other things, that such bidder (a) is acquiring the Collateral for investment purposes, solely for the purchaser's own account and not with a view to distribution or resale of the Collateral; (b) is an accredited investor within the meaning of the applicable securities laws; (c) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of investment and has sufficient financial means to afford the risk of investment in the Collateral; (d) will not resell or otherwise hypothecate the Collateral without a valid registration under applicable federal or state laws, including, without limitation, the Securities Act of 1933, as amended (the "Securities Act"), or an available exemption therefrom; provided that Secured Party reserves the right to verify that each certificate for the limited liability company interests to be sold bears a legend substantially to the effect that such interests have not been registered under the Securities Act and to impose such other limitations or conditions in connection with the sale of the Collateral as Secured Party deems necessary or advisable in order to comply with the Securities Act or any other applicable law; (e) is not an Embargoed Person (as defined in the Terms of Sale); (f) is not a Crowd Funding Entity (as defined in the Terms of Sale); and (g) will purchase the Collateral in compliance with all applicable federal and state laws. Meeting any requirements of the foregoing shall be at the sole responsibility, risk, cost, and expense of a prospective bidder.

No later than three (3) business days prior to the auction, and as a condition to participating in the auction, each Bidder must present a certified or bank check made payable to Secured Party in the amount of \$4,000,000.00 (the "Required Deposit"). All bids (other than credit bids of Secured Party) must be for cash with no financing conditions. Following completion of the public sale, successful bidder must (i) deposit with a title company or other agent designated by Secured Party the Required Deposit and (ii) pay the full amount of its bid as the purchase price for the Collateral, after deduction for the Required Deposit, by wire transfer of immediately available federal funds, no later than 2:00 p.m. prevailing Eastern Time on the third (3rd) business day after the date of the public sale, as set forth in the Terms of Sale.

Further information concerning the Collateral, the requirements for obtaining information and bidding on the interests and the Terms of Sale can be obtained by contacting Scott Elman, Managing Director (212-315-7207 / SElman@eastdilsecured.com) or Alyssa Kidd, Senior Vice President (212-315-7357 / AKidd@eastdilsecured.com), Eastdil Secured, L.L.C.

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THE WALL STREET JOURNAL

THE MARKETPLACE

By MEGAN GRAHAM

S4 Capital, the London-listed digital advertising and marketing-services group helmed by Martin Sorrell, warned that its business is feeling the impact of what it says are challenging macroeconomic conditions, and that it is seeing caution among clients.

The company said it has downgraded its expectations for the year following a slower-than-expected summer. It now expects its like-for-like net revenue to decline in 2023 instead of growing 2% to 4% as it had previously predicted.

“We had a very mixed first half of the year reflecting global macroeconomic conditions and consequent fears of recession, which resulted in client caution to commit and extended

sales cycles, particularly for larger projects,” Sorrell said in the company’s latest earnings release.

Over the past year, S4 Capital has reduced its head count by 5% to 8,551 employees.

“We have continued to maintain a disciplined approach to cost management, including head count and discretionary costs,” the company said in its report. “We are taking further actions in the second half, particularly in content, given the current market conditions.”

Ad forecaster Magna, a media investment firm that is part of **Interpublic Group’s** Mediabrands, on Monday lifted its U.S. ad growth forecast for this year to 5.2%, projecting total ad spending of \$337 billion in 2023.

This was up from the 4.2%



S4 founder Martin Sorrell pointed to recession fears.

it had forecast in June, and reflects a more upbeat economic outlook as well as a continued flood of marketer spending into certain digital ad formats.

But S4 Capital is particu-

larly weighted in the tech sector. Other advertising holding companies have reported spending cuts from tech and telecom clients dragging on their results this summer.

“We still have significant exposure to the technology sector at 44% of [first half] reported revenue,” said **Scott Spirit**, the company’s chief growth officer and executive director. “Obviously there’s been some caution about this sector this year given many large tech companies are going through their years of efficiency, and we have not been immune to these pressures.”

Spirit said that several large tech companies are growing their spend with S4 Capital this year, and that the company is confident the sector will provide growth opportunities ahead of the overall market over the longer term.

Warehouse Robots Seek Better Internet Access

By LIZ YOUNG

The new robots, drones and other technology tools filling the country’s distribution centers are finding one thing all too difficult to reach: a fast and reliable internet connection.

Robots that wheel through warehouse aisles to find and pick goods need a high-speed link to keep them on the right track. Autonomous forklifts require a signal to direct them as they move pallets from loading docks to storage racks. Self-driving trucks must maintain a GPS tie to get them on the right path from a manufacturing plant to a warehouse.

As companies upgrade their operations with increasingly sophisticated machines, many are finding the internet connections they have in place fall short of the needs of new, high-powered automation technology. For some, that can mean expensive and time-consuming upgrades to get logistics sites up to speed, industry experts say.

Companies frequently have “already selected technology to go deploy before this ever comes up,” said Nick Leonard, senior vice president of product for Norfolk, Va.-based logistics software provider **SVT Robotics**. “Often sites are running essentially their phone infrastructure or just



Autonomous forklifts require a signal to direct them as they move pallets.

basic internet for email browsing.”

The roadblock to automating highlights one of the challenges companies face as they add more technology to their logistics operations, from automating container terminals to using artificial intelligence to track shipments. The rapidly developing automation technology can help speed up operations and lift some of the burden off human workers, but the tools have a new set of requirements such as access to far more electrical power and a strong internet

signal.

Building that capability can be particularly difficult for industrial operators that are located in rural areas far from existing infrastructure, or those in urban areas where there are heavy demands on the power grid.

Leonard said that upgrading a warehouse’s internet can be as simple as calling the internet provider to increase the bandwidth or as complicated as installing fiber-optic cable lines, antennas and server rooms, depending on the type of automation being added

and the existing connections. “That can get very expensive, in the millions of dollars, to solve those challenges,” Leonard said.

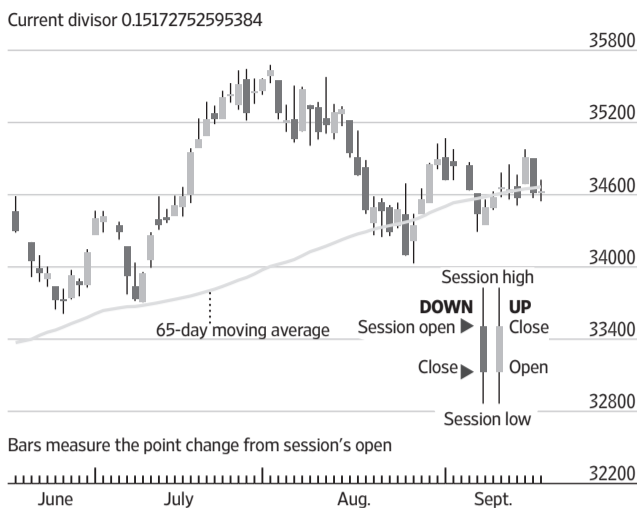
Some operators are installing private networks that run on high-speed 5G wireless cellular technology, which can provide faster and more stable internet than traditional Wi-Fi networks, experts say. About 45% of transportation executives and 35% of manufacturing executives surveyed by research firm Gartner last year said they planned to invest in 5G in the next 24 months.

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

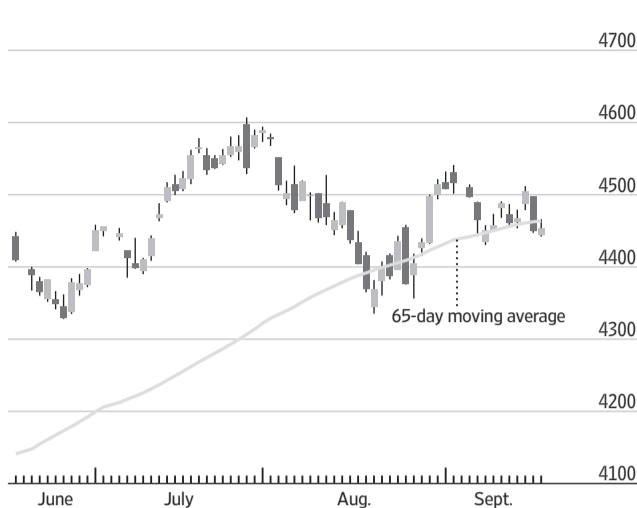
34624.30 ▲ 6.06, or 0.02%
 High, low, open and close for each trading day of the past three months.



*Weekly P/E data based on as-reported earnings from Biriyni Associates Inc.; †Based on Nasdaq-100 Index

S&P 500 Index

4453.53 ▲ 3.21, or 0.07%
 High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

13710.24 ▲ 1.90, or 0.01%
 High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Dow Jones									
Industrial Average	34725.06	34545.35	34624.30	6.06	0.02	35630.68	28725.51	4.5	7.8
Transportation Avg	15371.40	15250.01	15253.28	-86.15	-0.56	16695.32	11999.40	13.9	10.1
Utility Average	893.55	885.06	890.71	-1.42	-0.16	1024.62	838.99	-7.9	3.7
Total Stock Market	44497.12	44265.58	44362.13	-3.64	-0.01	45969.67	36056.21	12.8	9.4
Barron's 400	981.53	976.88	977.86	-1.74	-0.18	1036.97	825.73	8.1	11.2

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Nasdaq Stock Market									
Nasdaq Composite	13751.28	13663.46	13710.24	1.90	0.01	14358.02	10213.29	18.9	8.3
Nasdaq-100	15268.96	15155.46	15225.37	22.97	0.15	15841.35	10679.34	27.4	11.7

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
S&P									
500 Index	4466.36	4442.11	4453.53	3.21	0.07	4588.96	3577.03	14.2	16.0
MidCap 400	2574.26	2558.92	2564.30	-3.03	-0.12	2728.44	2203.53	6.4	5.5
SmallCap 600	1187.25	1179.52	1179.58	-6.82	-0.57	1315.82	1064.45	2.0	1.9

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg YTD	% chg 3-yr. ann.
Other Indexes									
Russell 2000	1847.71	1834.30	1834.30	-12.73	-0.69	2003.18	1655.88	1.2	4.1
NYSE Composite	15989.21	15910.49	15952.52	-21.15	-0.13	16427.29	13472.18	8.7	5.1
Value Line	556.64	554.21	554.69	-1.95	-0.35	606.49	491.56	2.6	3.4
NYSE Arca Biotech	5183.08	5108.52	5112.54	-70.55	-1.36	5644.50	4390.11	8.1	-3.2
NYSE Arca Pharma	915.35	904.89	911.12	-4.24	-0.46	925.61	737.84	19.6	5.0
KBW Bank	82.08	81.31	81.78	-0.53	-0.65	115.10	71.96	-23.8	-18.9
PHLX [§] Gold/Silver	119.36	117.68	118.93	0.26	0.22	144.37	91.40	16.1	-1.6
PHLX [§] Oil Service	98.20	97.09	97.42	0.46	0.48	98.76	56.08	46.5	16.2
PHLX [§] Semiconductor	3504.03	3446.22	3492.47	16.08	0.46	3861.63	2162.32	35.3	37.9
Cboe Volatility	14.75	13.86	14.00	0.21	1.52	33.63	12.82	-45.7	-35.4

§Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
CSX	CSX	4,562.5	31.25	0.15	0.47	31.25	31.06
SPDR S&P 500 ETF Trust	SPY	4,446.4	443.74	0.11	0.02	462.57	437.18
CRH ADR	CRH	3,828.6	53.74	0.23	0.43	53.74	53.49
NIO ADR	NIO	3,497.0	9.74	-0.57	-5.53	10.37	9.68
Apple	AAPL	3,258.5	177.87	-0.11	-0.06	179.14	177.01
Amazon.com	AMZN	2,804.9	140.10	0.12	0.09	146.02	132.99
PayPal Holdings	PYPL	2,593.8	62.92	-0.02	-0.03	63.06	62.85
Trip.com Group ADR	TCOM	2,326.6	36.13	...	unch.	36.29	36.02

Percentage gainers...

Company	Symbol	Last	Net chg	% chg	52-Week High	52-Week Low
Leslie's	LESL	64.8	5.40	0.25	4.85	5.40
AMC Networks A	AMCX	86.2	12.23	0.52	4.44	12.23
Guess	GES	274.3	23.13	0.98	4.42	23.13
Coherent	COHR	56.0	33.32	1.32	4.13	33.32
Applied Digital	APLD	69.4	5.15	0.19	3.83	5.20

...And losers

Company	Symbol	Last	Net chg	% chg	52-Week High	52-Week Low
Equinox Gold	EQX	87.8	4.30	-0.94	-17.94	5.28
NIO ADR	NIO	3,497.0	9.74	-0.57	-5.53	10.37
Sylvamo	SLVM	63.4	40.25	-1.81	-4.30	42.06
Blueprint Medicines	BPMC	56.4	50.21	-1.98	-3.79	52.19
Elanco Animal Health	ELAN	82.6	11.48	-0.32	-2.69	11.80

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	850,915,962	11,341,558
Adv. volume*	282,718,783	5,726,459
Decl. volume*	555,761,596	4,899,706
Issues traded	3,013	325
Advances	1,298	144
Declines	1,579	155
Unchanged	136	26
New highs	40	4
New lows	103	16
Closing Arms*	1.77	0.70
Block trades*	3,869	160

*Primary market NYSE, NYSE American, NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	679.70	-1.64	-0.24	12.3
	MSCI ACWI ex-USA	298.27	-2.18	-0.73	6.0
	MSCI World	2956.14	-4.84	-0.16	13.6
	MSCI Emerging Markets	976.17	-8.82	-0.90	2.1
Americas	MSCI AC Americas	1688.61	0.60	0.04	15.9
Canada	S&P/TSX Comp	20492.83	-129.51	-0.63	5.7
Latin Amer.	MSCI EM Latin America	2395.06	4.28	0.18	12.5
Brazil	BOVESPA	118288.21	-469.32	-0.40	7.8
Chile	S&P IPSA	3384.92	...	Closed	6.7
Mexico	S&P/BMV IPC	51685.31	333.71	0.65	6.6
EMEA	STOXX Europe 600	456.72	-5.21	-1.13	7.5
Eurozone	Euro STOXX	448.96	-5.25	-1.16	10.3
Belgium	Bel-20	3674.04	-38.34	-1.03	-0.7
Denmark	OMX Copenhagen 20	2153.74	-36.98	-1.69	17.4
France	CAC 40	7276.14	-102.68	-1.39	12.4
Germany	DAX	15727.12	-166.41	-1.05	13.0
Israel	Tel Aviv	1843.00	-1.66	-0.09	2.6
Italy	FTSE MIB	28585.86	-309.53	-1.07	20.6
Netherlands	AEX	735.85	-5.66	-0.76	6.8
Norway	Oslo Bors All-Share	1502.39	-0.57	-0.04	10.3
South Africa	FTSE/JSE All-Share	73908.03	-681.78	-0.91	1.2
Spain	IBEX 35	9482.10	-67.60	-0.71	15.2
Sweden	OMX Stockholm	807.01	-5.02	-0.62	3.2
Switzerland	Swiss Market	11090.61	-107.11	-0.96	3.4
Turkey	BIST 100	7680.36	-281.62	-3.54	39.4
U.K.	FTSE 100	7652.94	-58.44	-0.76	2.7
U.K.	FTSE 250	18449.27	-340.50	-1.81	-2.1
Asia-Pacific	MSCI AC Asia Pacific	162.96	-0.96	-0.59	4.6
Australia	S&P/ASX 200	7230.40	-48.63	-0.67	2.7
China	Shanghai Composite	3125.93	8.19	0.26	1.2
Hong Kong	Hang Seng	17930.55	-252.34	-1.39	-9.4
India	S&P BSE Sensex	67596.84	-241.79	-0.36	11.1
Japan	NIKKEI 225	33533.09	...	Closed	28.5
Singapore	Straits Times	3263.39	-17.30	-0.53	0.4
South Korea	KOSPI	2574.72	-26.56	-1.02	15.1
Taiwan	TAIEX	16698.24	-222.68	-1.32	18.1
Thailand	SET	1527.57	-14.46	-0.94	-8.5

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low
Digital Transformation A	DTOC	29.00	18.22	168.89	39.60	7.02
Digital Transformation	DTOCU	27.74	17.19	162.94	28.90	9.53
Avinger	AVGR	6.07	1.94	46.80	24.30	4.14
MIRA Pharmaceuticals	MIRA	4.40	1.23	38.80	7.98	3.00
TradeUP Acquisition	UPTD	11.71	2.99	34.29	33.00	6.88
CF Acq'n VIII Cl A	CFE	14.41	3.39	30.76	20.00	9.85
Amprus Technologies	AMPX	5.03	1.08	27.34	15.39	3.28
Orchestra BioMed Holdings	OBIO	8.44	1.39	19.72	23.39	4.85
Profound Medical	PROF	9.56	1.56	19.50	15.49	3.10
Sientra	SIEN	2.55	0.40	18.60	8.88	1.25
Cabaletta Bio	CABA	18.65	2.84	17.96	19.34	0.59
SeqLL	SQL	15.60	2.36	17.82	96.00	9.21
Fate Therapeutics	FATE	2.55	0.35	15.91	25.59	2.14
Cibus	CBUS	19.37	2.65	15.85	38.85	6.25
Orchard Therapeutics ADR	ORTX	6.00	0.81	15.61	7.20	3.60

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
T2 Biosystems	TTOO	408,067	281.1	0.46	65.55	5.72	0.05
EBET	EBET	326,230	245.7	0.05	-0.92	2.66	0.03
Nikola	NKLA	298,206	221.2	1.59	33.61	5.13	0.52
SCWorx	WORX	118,206	2022.1	0.26	38.29	0.96	0.18
Tesla	TSLA	100,854	-19.5	265.28	-3.32	313.80	101.81
Mullen Automotive	MULN	97,093	56.0	0.60	<		

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Table with columns: Metal & Petroleum Futures, Open, High, Low, Settle, Chg, Open interest. Includes sub-sections for Copper-High (CMX), Gold (CMX), Palladium (NYM), NY Harbor ULSD (NYM), Gasoline-NY RBBO (NYM), and Natural Gas (NYM).

Table with columns: Contract, Open, High, Low, Settle, Chg, Open interest. Includes sub-sections for Cattle-Feeder (CME), Cattle-Live (CME), Hogs-Lean (CME), Lumber (CME), Milk (CME), Cocoa (ICE-US), Coffee (ICE-US), Sugar-World (ICE-US), Sugar-Domestic (ICE-US), Cotton (ICE-US), Orange Juice (ICE-US), and Ultra Treasury Bonds (CBT).

Table with columns: Contract, Open, High, Low, Settle, Chg, Open interest. Includes sub-sections for Australian Dollar (CME), Mexican Peso (CME), Euro (CME), Index Futures, Mini DJ Industrial Average (CBT), and Mini S&P 500 (CME).

Table with columns: Contract, Open, High, Low, Settle, Chg, Open interest. Includes sub-sections for Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), Mini Russell 2000 (CME), and Mini Russell 1000 (CME).

Table with columns: Agriculture Futures, Open, High, Low, Settle, Chg, Open interest. Includes sub-sections for Corn (CBT), Oats (CBT), Soybeans (CBT), Soybean Meal (CBT), Soybean Oil (CBT), and Wheat (CBT).

Table with columns: Contract, Open, High, Low, Settle, Chg, Open interest. Includes sub-sections for Interest Rate Futures, Treasury Bonds (CBT), Treasury Notes (CBT), 5 Yr. Treasury Notes (CBT), 2 Yr. Treasury Notes (CBT), 30 Day Federal Funds (CBT), and Three-Month SOFR (CME).

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table with columns: Total return close, YTD total return (%), Index, Yield (%), Latest, Low, High. Includes sub-sections for Broad Market Bloomberg Fixed Income Indices, U.S. Corporate Indexes, High Yield Bonds ICE BofA, and U.S. Agency Bloomberg Fixed Income Indices.

Mortgage-Backed Bloomberg Fixed Income Indices

Table with columns: Total return close, YTD total return (%), Index, Yield (%), Latest, Low, High. Includes sub-sections for Mortgage-Backed, Global Government J.P. Morgan, and Global Government J.P. Morgan.

Cash Prices | wsj.com/market-data/commodities

Monday, September 18, 2023

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table with columns: Commodity, Price, Change, Open interest. Includes sub-sections for Energy, Metals, Fibers and Textiles, Grains and Feeds, and Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Outlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 9/15

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

September 18, 2023

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table with columns: Inflation, U.S. consumer price index, International rates, Prime rates, U.S. government rates, and Discount. Includes sub-sections for Inflation, U.S. consumer price index, International rates, Prime rates, U.S. government rates, and Discount.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

Table with columns: Week Ended, High, Low. Includes sub-sections for Federal funds, Commercial paper, Treasury yields (secondary market), and TIPS.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, Current, One-day change, Last week. Lists various issuers and their bond spreads.

High-yield issues with the biggest price increases...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week. Lists high-yield issues with significant price increases.

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value, Current, One-day change, Last week. Lists high-yield issues with significant price decreases.

Notes on data: Federal funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; Commercial paper rates are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; Discount window primary credit rate is charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program; rate is average for seven days ended Wednesday; Inflation-indexed long-term TIPS average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more; Sources: Federal Reserve; for additional information on these rate data and their derivation, please see, https://www.federalreserve.gov/datadownload/Build.aspx?rel=H15

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more. Source: MarketAxess

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization.
Unrounded quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices per the p.m. the previous day.

Monday, September 18, 2023
Stock Sym Close Net Chg
AECOM ACM 84.72 0.79
AES AES 17.08 -0.16
Aflac AFL 76.92 0.41

Stock Sym Close Net Chg
Halliburton HAL 42.64 0.53
HartfordFin HLF 73.27 0.28
Hasbro HAS 66.01 -0.36

Stock Sym Close Net Chg
Minisogroup MSO 26.57 -1.58
Pentair PNR 67.13 0.27
PepsiCo PEP 179.38 -0.46

Stock Sym Close Net Chg
RBC Bearings RBC 243.11 2.91
RBA RBA 66.75 0.57
RELEX RELX 34.58 -0.06

Stock Sym Close Net Chg
JPMorgan JPM 131.2 -0.45
JPMorganChase JPM 149.12 0.31
Jabil JBL 106.83 0.77

Stock Sym Close Net Chg
Kellanova K 60.16 0.20
Kenvue K 21.08 -0.14
KeyCorp KEY 11.37 -0.35

Stock Sym Close Net Chg
OGE Energy OGE 36.00 0.23
ONEOK ONEK 68.19 0.65
On Sem 0 96.40 1.50

Stock Sym Close Net Chg
M&B Bank MMB 126.69 -2.71
MGM Resorts MGM 40.29 0.69

Stock Sym Close Net Chg
SuncoEnergy SU 34.88 -0.21
SuperMicro SMI 24.30 -4.96
Suzano SUZ 10.65 -0.02

Stock Sym Close Net Chg
TC Energy TRP 37.26 -0.20
TD Synnex TDS 100.77 -0.13
TE Connectivity TEL 126.97 0.29

Stock Sym Close Net Chg
RBC Bearings RBC 243.11 2.91
RBA RBA 66.75 0.57
RELEX RELX 34.58 -0.06

Stock Sym Close Net Chg
JPMorgan JPM 131.2 -0.45
JPMorganChase JPM 149.12 0.31
Jabil JBL 106.83 0.77

Stock Sym Close Net Chg
Kellanova K 60.16 0.20
Kenvue K 21.08 -0.14
KeyCorp KEY 11.37 -0.35

Stock Sym Close Net Chg
OGE Energy OGE 36.00 0.23
ONEOK ONEK 68.19 0.65
On Sem 0 96.40 1.50

Stock Sym Close Net Chg
M&B Bank MMB 126.69 -2.71
MGM Resorts MGM 40.29 0.69

Footnotes:
*New 52-week high.
^New 52-week low.
dd-Indicates loss in the most recent four quarters.

FD-First day of trading.
h-Does not meet continued listing standards.

lf-Late filing.
q-Temporary exemption from Nasdaq requirements.

†-NYSE bankruptcy.
v-Trading halted on primary market.

vj-In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Monday, September 18, 2023
Stock Sym 52-Wk Hi/Low Chg
AG Mortgage Pric MITP 20.35 0.33
AGNC InvPrf AGNC 25.89 -0.11

Highs

AG Mortgage Pric MITP 20.35 0.33
AGNC InvPrf AGNC 25.89 -0.11
AIG AIG 61.68 0.50

Lows

ADCT ADCT 0.76 -5.4
ADP ADP 155.89 0.8
ADTX ADTX 1.55 -1.3

Dividend Changes

Company Symbol Yld % Amount New/Old Frq Payable / Record
HST 4.4 18/15 Q Oct16/Sep30

Increased

HST 4.4 18/15 Q Oct16/Sep30
LFT 12.2 07/06 Q Oct16/Sep29

Stocks

Antelope Enterprise AEHL 110 /Sep18
AYRO AYRO 1.8 /Sep16
FTK FTK 1.6 /Sep16

Foreign

Imperial Petroleum Pfd A IMPPP 11.0 54688 Q Oct02/Sep27
Seapeak 8.5% Pfd A SEALP 8.8 5313 Q Oct13/Sep29

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.
E-Distribution. F-Previous day's quotation. g-Footnotes x and s apply. J-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply. 12b-1-R redemption charge may apply. s-Stock split or dividend. f-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote n, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Monday, September 18, 2023
Fund NAV Chg % Ret
AB Funds ABF 10.64 -0.01 1.4

Fund NAV Chg % Ret
SrsGlobal 13.39 -0.05 8.4
SrsGroCore 18.19 -0.05 32.1

Mutual Funds

Fund NAV Chg % Ret
MidCap 97.90 -0.34 10.4
NHoriz 52.40 -0.28 13.1

Fund NAV Chg % Ret
PrrmpAdmlr 156.62 -0.51 19.7
Welltn 40.61 -0.04 7.4

Monday, September 18, 2023
Fund NAV Chg % Ret
Artisan Funds ART 33.64 -0.02 13.8

Fund NAV Chg % Ret
FF2030 15.81 -0.01 8.1
FF2040 9.88 -0.02 11.5

Fund NAV Chg % Ret
PrrmpAdmlr 156.62 -0.51 19.7
Welltn 40.61 -0.04 7.4

BANKING & FINANCE

New York Wants Guidelines On Crypto Coin Offerings

By MENGQI SUN

New York's financial regulator wants cryptocurrency companies regulated in the state to be more transparent about how they list and delist crypto coins.

The state Department of Financial Services, in proposed guidance that was published Monday, spells out its expectations for how crypto firms evaluate a coin offering before adoption, based on a prior version of the framework. The regulator also describes its expectations of the steps and criteria a crypto firm must consider before delisting a coin.

The proposed framework is meant to guide firms on how to draft firm-specific coin listing and delisting policies.

Financial Services Superintendent Adrienne Harris said the guidance was needed to make standards around coin offerings more robust, and that the updates came from deficiencies found through examinations. She also said the new guidance will be the first one about delisting.

"When we know that a coin that someone once thought was OK, when we see that new risks have emerged or the coin is being misused, we want our entities to have a way to delist the coin in a way that's still protective of consumers and protects safety and soundness as well," she said.

As part of the proposal, the Department of Financial Services is asking virtual currency companies registered in the state to submit new coin-listing and delisting policies. The proposed guidance is



State Financial Services Superintendent Adrienne Harris said she seeks more transparency.

open for public comment until Oct. 20.

An original framework guidance issued in 2020 asked crypto companies regulated by the department to submit a firm-specific coin listing policy and to seek the regulator's approval before listing or offering custody for a coin, unless the coin is on a so-called "greenlist" of coins already approved by the regulator. The listing policy must be tailored to a company's business model, operations and customers, among other things.

After receiving approval for its coin-listing policy from the regulator, a firm can self-certify a listing—attesting a coin meets the firm's standards without seeking approval from the department.

But the firm must still provide written notice to the Department of Financial Services before using a coin and must keep the regulator informed of all coins it offers or

uses. The new framework asks crypto firms to draft their coin-listing policy in three areas: governance for the coin-listing process; risk assessments of coins; and procedures to monitor coins.

The proposed delisting framework asks firms to detail how they decide to delist a coin, including the type of events that could prompt a removal, and execution plans, such as giving customers advance notice and drawing up an impact analysis.

The proposed frameworks come as Harris marks two years on the job as New York's top financial regulator. The department has been looking to use the state's standing as a leader in regulating the insurance and banking sectors to help set the regulatory agenda nationwide for crypto.

Under her leadership, the Department of Financial Ser-

VICES has levied \$132 million in fines against crypto companies, including exchange Coinbase and online trading platform Robinhood's crypto unit.

The agency also oversaw the closure of Signature Bank in March amid turmoil in the crypto market. Signature Bank had about \$4 billion of deposits related to its digital assets banking business, according to a March 20 statement from the Federal Deposit Insurance Corp.

"We're continuing to supervise the risk-based analysis of our entities, make sure those examinations are going well, make sure the entities are remediating in a timely manner. We will, of course, continue to bring enforcement actions where necessary," Harris said.

She noted that her agency's crypto unit now has about 60 staff, almost tripling its size from two years ago.

Troubled Chinese Trust Company Enlists State Help

By REBECCA FENG

HONG KONG—China's Zhongrong International Trust, a shadow-banking giant whose financial troubles have rattled investors, broke its silence and said it is working with two state-owned institutions to address its problems.

The domestic asset manager last month failed to make payments on high-yielding investment products that it had sold to many companies and wealthy individuals. That sparked concerns that the country's worsening property downturn was developing into a wider financial-sector contagion.

Zhongrong Trust acknowledged late Friday that it had missed payments on some products, and said it would bring in two large state-owned trust companies to help with operations and management.

"Due to multiple internal and external factors, some of the company's trust products could not be paid on schedule," it said. Zhongrong Trust said it has engaged CITIC Trust, owned by state conglomerate CITIC Group, and CCB Trust, owned by China Construction Bank, to work with it for a year.

The asset manager indicated the arrangement isn't a government bailout. It said the two state-backed firms won't be responsible for paying for its trust products, and the arrangement could be terminated early or extended.

Since Zhongrong Trust's troubles bubbled up around the middle of this year, investors have grown concerned that China's \$2.9 trillion trust industry could be the next casualty of the country's property crisis.

Trust companies have long been a source of funding for Chinese real-estate developers. A tougher financing environment in recent years meant many privately owned developers were unable to secure loans from big banks to build residential projects. Trust companies filled some of that gap, providing loans at a higher cost to developers.

In 2022, Zhongrong's trust funds had 11% of their assets in the property sector, according to the company's annual report. Missed payments started to pile up recently. Since August, at least 11 publicly listed companies in mainland China have said in stock-exchange filings that they didn't receive interest or principal payments on product managed by Zhongrong

Trust. Those missed payments add up to the equivalent of \$82 million. Some individual investors have also complained on social media that they had not received promised payments from Zhongrong Trust.

The full scope of its financial difficulties isn't known. The privately held company had the equivalent of \$108 billion in assets under management at the end of 2022.

Many of its trust funds had promised returns of around 6% to 8% annually, according to public documents for these funds seen by The Wall Street Journal.

Some of these trust products invest in bank deposits, stocks, corporate bonds and other kinds of wealth-management products. One of them, which was purchased by a listed company that supplies maintenance and repair tools,

raised money in 2021 for developer Shinsun Property Group to fund the construction of a high-end residential project in the city of Hangzhou, a tech hub south of Shanghai. Shinsun defaulted on its U.S. dollar debt last year after failing to make an interest payment.

Some Chinese developers also had units that sold investment products to individuals. When a wealth-management unit of defaulted China Evergrande Group failed to make payments on products it had previously sold through other companies, protesters arrived at its headquarters in September 2021, demanding their money back.

In December 2021, Evergrande Wealth said it had come up with a plan to pay almost all holders of its wealth-management products the equivalent of \$1,100 a month. It cut that amount to \$275 in November last year, and in May said it couldn't pay even the lower amount. Two weeks ago, it halted payments altogether.

On Saturday, Shenzhen police said they had taken action against several employees of Evergrande's wealth-management unit, including a person whose surname is Du. The police didn't specify whether some of these people were being detained, and said the investigation is continuing.

Evergrande's debt default in late 2021 sparked fears that China was facing a "Lehman moment." The company's failure didn't result in a financial crisis, but a yearslong slowdown in China's property market is still causing pain.

Hong Kong Social-Media Influencer Held on Cryptocurrency Fraud Charges

By ELAINE YU

As Hong Kong pushes to attract crypto companies, it's also trying to protect local investors against get-rich-quick schemes spreading on social media.

The city's police force arrested Joseph Lam, a local social-media personality, and five other people on Monday. The police didn't name any of those arrested, but local media reports said Lam was among them and carried photos of him being escorted away by police.

The group was suspected of a "conspiracy to defraud" investors, police said. The arrest came days after the

city's securities regulator, the Securities and Futures Commission, called out crypto exchange JPEX, which it said operated without a license and used social-media personalities to win business.

The SFC warned investors to beware of "investment opportunities that seem too good to be true," and to be skeptical of investment advice from influencers "who are often paid promoters but not investment

professionals." Lam had been one of the promoters of JPEX, which offered returns as high as 21% for some products.

Hong Kong regulators are among the world's most bullish on crypto, but they require all exchanges to get a license. To help develop the sector, the authorities have scrapped a yearslong ban on small investors trading crypto and encouraged banks to open accounts for

crypto firms.

JPEX stopped offering some wealth-management products on Monday. The exchange blamed unfair treatment by Hong Kong institutions, and said some of the third-party market makers it worked with had maliciously frozen funds. JPEX said it is negotiating with these market makers.

In recent days, Lam wrote on social media that he has incurred large financial losses and voluntarily shared information with the police.

The police said it received complaints from more than 1,400 people about the case so far, involving assets worth about \$128 million.

Index Fund Fees Near Zero Level

Continued from page B1
years would save about \$370,000 in fees at a 0.05% fee versus a 1% fee, according to a State Street analysis.

The average ETF fee is 0.55%, but the asset-weighted average, which takes into account how much money is in-

vested in what funds, is just 0.17%, according to Bloomberg.

State Street's SPLG fund is part of its suite of ETFs marketed to individual investors, which includes passive funds tracking stock and bond indexes. The funds have lower fees than some of the asset manager's better-known, bigger offerings, and lower share prices to make them easier to buy incrementally.

Invesco has similarly launched a lower-cost version of its flagship QQQ ETF that tracks the Nasdaq-100 Index. The fund, QQQM, charges a

0.15% fee, compared with 0.2% for QQQ.

Both State Street and Invesco are able to offer lower-cost versions of their most popular funds because there are professional traders that need the liquidity provided by the bigger funds to transact in large sizes.

The cheapest funds have gathered the most money in recent years.

When State Street cut the fee on its SPDR Portfolio High Yield Bond ETF to 0.05% from 0.1% on Aug. 1, it immediately saw a record-setting inflow of \$611 million over the course of

the month.

Financial advisers moving largely from a commission-based model to a fiduciary, fee-based model has helped drive quick adoption of the lowest-fee funds. Advisers are motivated to put their clients in the cheapest funds possible.

While there has been a long move toward passive investing from actively managed mutual funds from cost-conscious investors, lower fees in the active space are helping drive more interest there as well.

Actively managed ETFs, which made up just 4% of the industry's total assets at the

beginning of this year, have grown quickly in 2023. Falling fees for active management are likely one of the biggest growth drivers.

A recent FactSet analysis showed that ETF fee compression slowed significantly in the first half of 2023, with average fees dropping at one-fifth the pace of fee cuts over the previous five years. Investors' embrace of comparatively more expensive active funds is one of the reasons for the slowdown, said Elisabeth Kashner, FactSet's director of global funds research.

This year's most popular ac-

tive fund, the JPMorgan Equity Premium Income ETF, charges a 0.35% fee, below the 0.68% average for active funds. Dimensional Fund Advisors launched an actively managed California municipal bond ETF in June at a 0.19% fee, even cheaper than passive funds in the same category.

"Active finally got with the program and got low cost," Balchunas of Bloomberg Intelligence said. "You're seeing more funds under 0.4%, 0.3%, and it's no mystery that's why active is taking off. Once you get down to that dirt-cheap line, the flows come."

New Highs and Lows

Table with columns for Stock, 52-Wk % (Sym, Hi, Lo, Chg), and % Change. Includes sub-sections for Continued From Page B9, BioAtla, and OrmatTech.

MARKETS

Tech Stocks Steady Before Fed Meets

Traders scoop up shares of Adobe, Apple, which slipped last week

By SAM GOLDFARB

U.S. stocks inched slightly higher, with technology shares stabilizing after slumping at the end of last week.

Overall, it was a subdued trading session in the lead-up to the Federal Reserve's interest-rate decision on Wednesday.

MONDAY'S MARKETS

The S&P 500, Dow Jones Industrial Average and Nasdaq Composite all rose less than 0.1%.

In the absence of major catalysts, traders took the opportunity to scoop up some stocks that fell last week.

Adobe, which kicked off the tech selloff on Friday after it reported earnings that failed to impress investors, stopped its slide by gaining 0.7%.

Likewise, **Nvidia** ticked up 0.2% and **Apple** jumped 1.7%, making it one of the S&P 500's biggest gainers. Vaccine maker **Moderna** led laggards, shedding 9.1%, after Pfizer's finance chief predicted weaker demand for Covid shots this year.

Elsewhere in markets, the yield on the benchmark 10-year U.S. Treasury note settled at 4.318%, down from 4.321% Friday.

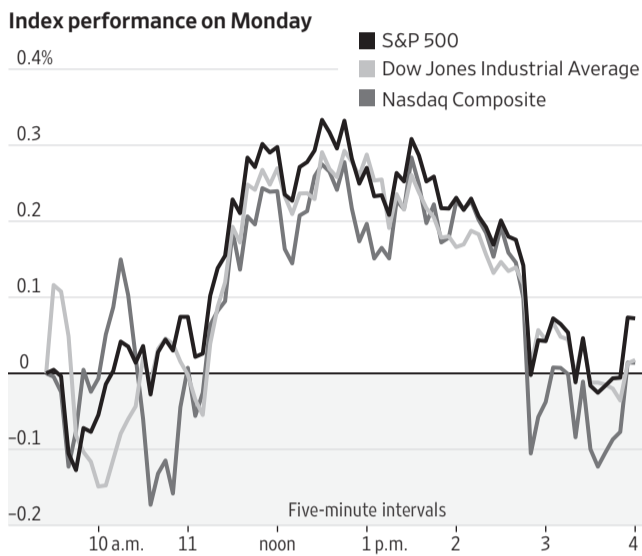
Earlier in the session, the 10-year yield had climbed above its 2023 high of 4.339%—its highest close since 2007. However, the yield slipped around midday, echoing a move in oil prices, which also retraced early gains.

Treasury yields sitting at the top of their recent range are one factor keeping a cap on stocks, according to many investors and analysts.

Major indexes advanced from late March to late July. But they have since flatlined, with investors pondering whether an improving eco-



Vaccine maker Moderna lost 9.1%, after Pfizer's finance chief predicted weaker demand for Covid shots this year.



Source: FactSet

nomical outlook is enough to justify even higher prices when they can now get attractive returns from ultra-safe assets such as U.S. Treasury bills.

"The question is: OK, the bar has been raised, we're up a lot for the year, what's the

next catalyst to drive things higher?" said Keith Lerner, co-chief investment officer at Truist Advisory Services.

The central bank on Wednesday is widely expected to keep the benchmark federal-funds rate unchanged at a target range of 5.25% to 5.5%.

Officials will also release projections showing where they think rates will go over the next few years.

As it stands, interest-rate derivatives suggest that investors believe that the Fed likely won't raise rates again this year, even though most officials had forecast in June that rates would end the year above 5.5%.

Many investors expect the central bank will continue to signal on Wednesday that it remains open, but not committed, to raising rates this year, depending on the economic data.

Some said, though, that they are even more interested to learn how officials are thinking about next year.

"I think that people are going to be watching these meetings to get some color as to when the Fed might actually consider cutting rates, and what the circumstances will be," said Gregg Abella, chief executive of Investment Partners Asset Management. For his part, Abella said he

thinks investors might still be overestimating how soon the Fed will cut rates.

Even if inflation continues to fall toward the Fed's 2% target, he said, it will be hard for the central bank to cut rates "if the economy is still revved up and markets are still trading at relatively high valuations."

Overseas, Europe's Stoxx 600 fell 1.1%. At midday Tuesday, Japan's Nikkei 225 was down 1.2%. Other Asian markets were down more moderately. S&P 500 futures were flat.

AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$198,098,046,900	\$190,004,767,700
Accepted bids	\$69,733,361,400	\$62,658,831,700
* noncomp	\$2,451,745,500	\$2,605,145,900
* foreign noncomp	\$100,000,000	\$0
Auction price (rate)	98.656486 (5.315%)	97.320556 (5.300%)
	5.477%	5.537%
Bids at clearing yield accepted	94,99%	74.56%
	912797FV4	912797L19

Both issues are dated Sept. 21, 2023. The 13-week bills mature on Dec. 21, 2023; the 26-week bills mature on March 21, 2024.

Blackstone Is First Big Asset Manager In S&P

By ANNA HIRSTENSTEIN

Blackstone joined the S&P 500 Monday, becoming the first of the major alternative asset managers to enter the benchmark.

This month, analysts at Goldman Sachs estimated that Blackstone could attain a 0.19% weighting, implying about \$15 billion of demand from index-tracking funds. Some of that buying may have already taken place. Blackstone stock has risen 9% since its inclusion was announced on Sept. 5.

Blackstone has long been the requisite size to join the S&P 500, with a market capitalization of more than \$130 billion. It was previously prevented from inclusion because it was organized as a partnership, not a corporation. After Blackstone made the conversion in 2019, the sticking point was its multi-class share structure. In April, S&P announced that it would consider these types of firms.

Blackstone Chief Executive Stephen Schwarzman had said after S&P's change that he hopes his firm would be joining the index and that it was "by far the largest company by market cap not included in the S&P 500."

Other alternative asset managers could eventually follow, such as **Apollo Global Management** and **KKR**, Goldman analysts including Alexander Blostein wrote earlier this month. Apollo and KKR each have market caps of more than \$50 billion.

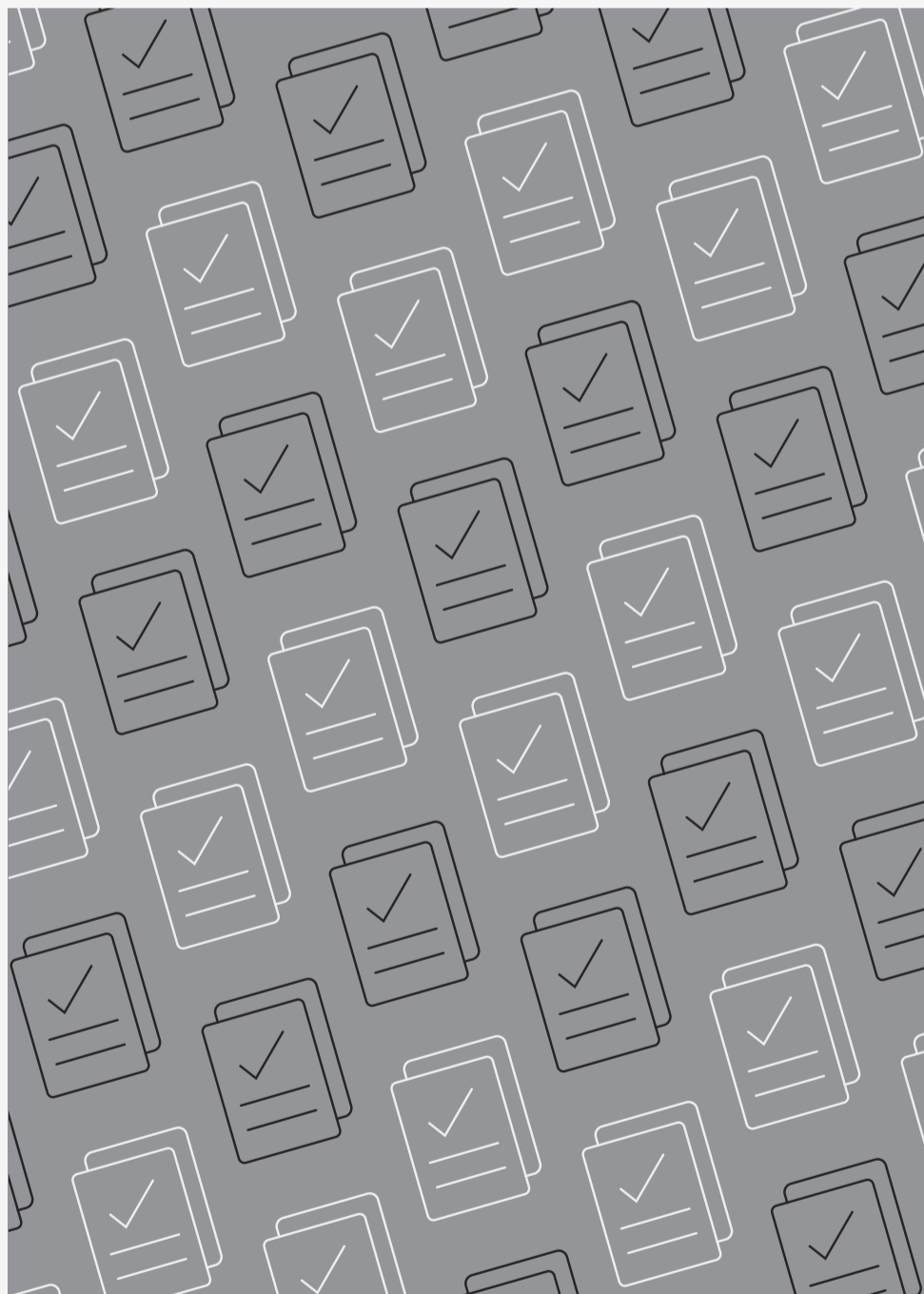
Airbnb also joined the S&P 500 Monday.

Monitor the Market

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HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Fed Isn't Getting What It Expected

Policy makers' projections for inflation look too high, while GDP estimates look too low

When the Federal Reserve's rate-setting committee sits down Tuesday and Wednesday, one thing it has to grapple with is that underlying inflation is looking cooler than it thought just a few months ago. Another: The economy is looking much stronger.

The central bank's policy makers will need to update the economic projections to reflect these changes. But an environment with a bit less inflation and more growth has interest-rate implications, too. While policy makers are almost certain to keep rates on hold, and might be comfortable leaving them on hold for the remainder of the year, rate cuts are likely to be even further from their minds now.

The last time the Fed released projections, at their June meeting, they showed policy makers on balance thought their preferred measure of consumer prices, from the Commerce Department, would be 3.2% higher in the fourth quarter this year from a year earlier. They forecast core prices, which exclude food and energy items to better capture inflation's underlying trend, would be up 3.9%.

That headline inflation forecast might end up being in the ball-

park, but mostly because of the run-up in fuel prices after Saudi Arabia and Russia extended crude-oil production cuts.

For core inflation to hit the Fed's projection, Morgan Stanley economists' estimates indicate it would need to increase at a 4.5% annual rate in the final four months of this year, after rising at a 2.6% rate over the prior four months. Morgan Stanley economists' forecast calls for core prices to be up 3.3% in the fourth quarter from a year earlier. Other forecasts are now below the Fed's, with both Goldman Sachs and JP-Morgan Chase penciling in a 3.4% gain in core prices, for example.

This is good news for the Fed and is a big part of why a rate increase at this week's meeting seems so unlikely. The Fed's updated projections will probably still show one last, quarter-percentage-point increase to the central bank's target range on interest rates by the end of the year, but this might best be regarded as policy makers' retaining their option to hike. Absent a reacceleration in core inflation, the Fed's tightening cycle might be over.

Then again, considering how

Consumer prices, excluding food and energy items, change from a year earlier



Sources: Commerce Department (historical), Morgan Stanley (estimated)

much stronger the economy has been than they thought, policy makers might also forecast fewer rate cuts next year than they previously saw.

The Fed's June projections showed a median forecast that gross domestic product would grow just 1% in inflation-adjusted terms in the fourth quarter from a year earlier. But economists polled by S&P Global Market Intelligence last

week estimated that GDP will be up by 1.8% in the fourth quarter—a forecast that has embedded in it an expectation that the economy will hit a rough patch at the end of the year, as factors such as high gasoline prices, the United Auto Workers' strike and the resumption of student-loan payments weigh on the economy.

The resilience of GDP growth might lead the policy makers to conclude that the economy is handling all their rate increases better than they had expected. In June, they had projected their target range on rates at the end of next year would be three-quarters of a percentage point lower than the current 5.25% to 5.5%. This week's projections might show a decline of perhaps a half point instead.

For investors, this all amounts to a mixed bag: Any hints that the Fed's rate increases might have come to an end would be welcome, but a lesser disposition to cut could leave long-term Treasury yields, and other long-term rates such as on mortgages, uncomfortably high. For most Americans, less inflation and a resilient economy count as good things. Here is hoping they can last.

—Justin Lahart

Tencent Investor Needs More Tencent

The stock-market tangle of Chinese tech giant **Tencent**, its top shareholder **Prosus** and Prosus's top shareholder **Naspers** is getting simpler. Now Prosus needs to bring its other investments into line.

Prosus and Naspers, which have their origins in the same South African media company turned tech investor and share management, unexpectedly announced a new chief executive Monday. Bob van Dijk stepped down, to be succeeded by the companies' ex-chief investment officer Ervin Tu on an interim basis.

Tu joined Prosus and Naspers in 2021 from SoftBank's Vision fund, having worked in mergers and acquisitions for Goldman Sachs. This background should be useful for getting more value out of Prosus's \$23.7 billion portfolio of private assets, which in some ways resembles Vision fund with a focus on unprofitable sectors such as food delivery.

South African billionaire Koos Bekker, who as Naspers's CEO first bought into Tencent and chairs the boards of Naspers and Prosus, told analysts Tu was "definitely a strong candidate" for permanent CEO.

Investors might focus more on Prosus's unlisted investments now that it has a clearer strategy for dealing with the \$98 billion Tencent stake it inherited from Naspers in 2019. Since June of last year, Prosus has been gradually selling Tencent shares and buying its own and Naspers's stock. Though the discounts to book value remain wide—at 39% for Prosus—they have narrowed.

On the analyst call, Bekker tried to quash any suspicion that a new boss might sell Prosus's Tencent shares more quickly. That fear might explain a fall in Tencent shares Monday, though other tech stocks such as **Alibaba** were weak.

A decision this summer to unwind cross-shareholdings between Naspers and Prosus, which completed Monday, made the companies easier to understand and narrowed the discount at which Naspers trades to the value of its Prosus shares.

But the sprawling venture-capital portfolio at Prosus stands in the way of better valuations for both companies. They need to persuade more investors that at least some of their startups can grow up—ideally in the way Tencent did. Bekker seems to have concluded that the challenge demanded new management blood. Tu needs to show him he is up to it.

—Stephen Wilmot

China's Moutai Wants to Satisfy Your Cravings

China's most valuable liquor brand is pouring on the charm with its new marketing campaign targeting younger Chinese.

Moutai's new offerings may or may not stick. But the company's traditional liquor business will probably keep raking in cash at a high level, even if the Chinese economy's woes persist.

Kweichow Moutai—the second-most-valuable listed Chinese company—has created a buzz on social media lately with its bold tie-ups with other food brands. Its liquor-filled chocolates—a collaboration with the Mars-owned Dove brand—sold out immediately after their launch over the weekend. Around two weeks earlier, the company unveiled its Moutai-infused latte at **Luckin Coffee**. The Chinese chain said it sold 5.42 million cups of the new concoction on its launch day.

Such boozy innovations aren't usually what people think of when they mention Moutai, a fiery variety of *baijiu*, a spirit distilled from fermented sorghum. The liquor brand has long been considered a status symbol in China, served in national dinners and banquets. Its premium variety Moutai Flying Fairy, with 53% alcohol, sells for around \$400 for a half-liter bottle. Some rarer or older bottles could sell for several times that.

Coffee and chocolates aren't the first outside-the-box products from Moutai. The company launched liquor-infused ice cream last year, and the frosty treat—with a kick—has apparently done pretty well. Moutai's revenue from its "other business" segment, which represents its nonliquor sales and includes its hotel operations, quadrupled year over year in the first half of 2023. But it only accounted for



Moutai's liquor-filled chocolates—a collaboration with the Mars-owned Dove brand—sold out after their launch.

0.3% of its total revenue.

Such unorthodox products aren't likely to become a significant sales driver anytime soon. The marketing gimmicks appear to be targeting China's younger demographic, but the brand will probably remain indelibly associated in the minds of many Chinese with older, wealthier individuals and formal dinners. The high price point of the spirit will continue to put off many younger consumers, even assuming the brand's visibility rises further in the wake of these innovations. And it is unclear if these fusion products would boost or dilute Moutai's

luxury brand value with its core customers.

But in truth, Moutai probably doesn't need to worry much about whether these ventures work out. The company's revenue has more than doubled since 2017. Its premium liquor brand gives it strong pricing power, and the company is ramping up its direct sales channels including its iMoutai app. That could be a significant help: enabling Moutai to earn better margins by skipping over distributors. Direct sales revenue grew 35% year over year in the second quarter of 2023, compared with 12% for sales through

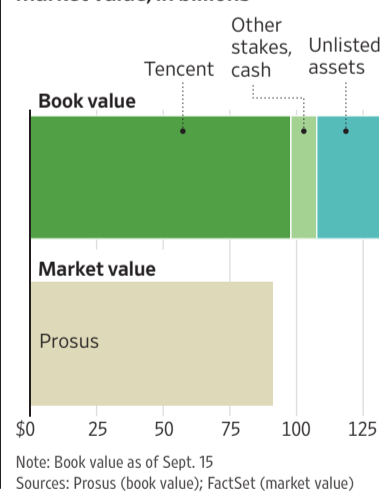
distributors, according to Bernstein. The research house expects direct sales to make up 60% of Moutai's revenue by 2026, from 44% currently.

Similar to its liquor, Moutai stock doesn't come cheap. With a market value of \$315 billion, it trades at 31 times forward earnings, compared with **Diageo**'s 19 times, according to FactSet.

Moutai's stock offers investors access to a unique high-end Chinese brand—and now, chocolate as well. But luxury has its price: At 31 times earnings, a lot of other tasty morsels are available, too.

—Jacky Wong

Prosus's book value versus market value, in billions



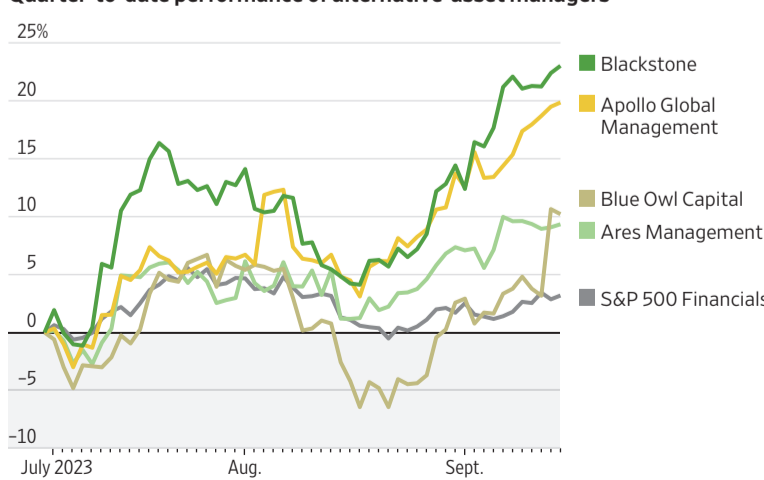
Private Credit Keeps Drawing More Money

Big banks are worried that more lending might migrate away from them in the coming years. Investors big and small are taking notice.

The boom in alternative assets has been a big winner for managers of those funds in recent years, as things such as bespoke corporate lending take share from what has traditionally been the business of banks. However, one recent wrinkle has been a worry that the people supplying money to those funds might not keep pouring in cash as interest rates rise—especially when it comes to wealthy individuals, one of the major sources of growth.

Yet there are indicators the spigot isn't closing. A jump in redemption requests late last year for the **Blackstone Real Estate Income Trust** is what initially spooked investors. But Breit has lately reported diminishing redemption requests: August requests of just under \$3 billion were the lowest since last October, more than 40% below the January peak and the fourth straight

Quarter-to-date performance of alternative-asset managers



Source: FactSet

month of slowing requests.

Even if certain funds—including more traditional private-equity buy-out funds facing a tough deal-making environment—might not be seeing strong inflows, funds in other assets are making up for some of

that. The **Blackstone Private Credit Fund** said inflows into the non-traded vehicle were \$2.4 billion in the third quarter reported so far, up 30% from the prior quarter.

Blue Owl Capital reported figures for two nontraded private

credit funds, **Blue Owl Credit Income Corp.** and **Blue Owl Technology Income Corp.**, that point toward a net \$1 billion-plus inflow for the third quarter, better than the pace of the second quarter, according to estimates by Autonomous Research analyst Patrick Davitt.

Even within real estate, despite concerns about office and other property values, some strategies are still attracting inflows: The **Blue Owl Real Estate Net Lease Trust**, which is in the expanding market for the sale and lease-back of properties, has reported raising over \$1 billion since its launch in 2022.

Money from wealthy individuals has been a growing source of funding for private credit and other "alternatives" to traditional stocks and bonds. **Apollo Global Management** told analysts last week it raised \$6 billion via retail last year, and is "well on track" to be raising \$15 billion per year by 2026.

The usual sources of funds—giant institutions—remain active in key areas. **Blue Owl** last week said it got

a billion-dollar commitment for technology lending from Abu Dhabi sovereign fund **Mubadala Investment**. Mubadala and **Ares Management** this year unveiled a joint venture related to private-credit investments.

All of this is helping rebuild momentum in shares of the managers of these platforms. Apollo, Ares, Blackstone and Blue Owl shares are all up at least 9% so far in the third quarter, well outpacing a gain of roughly 3% for S&P 500 financials overall. The inclusion of Blackstone—whose shares are up 23% in this period—in the S&P 500 index likely boosts the visibility of these firms with individual investors.

Investors who are now in these private-credit funds of course might have other concerns, like how these vehicles' returns might perform if there were an economic slowdown. But for now, owning shares of their managers is working out better than feared.

—Telis Demos