

What's News

Business & Finance

◆ **Cigna abandoned** its pursuit of a tie-up with Humana after shareholders balked at a deal that would have created a roughly \$140 billion giant in the health-insurance industry. **A1**

◆ **An investor group made** a \$5.8 billion offer to buy Macy's, in a bid to take the famed department-store chain private after stiff competition from online rivals took a big bite out of its value. **A1**

◆ **Boeing is set** to name Stephanie Pope, head of its services arm, as chief operating officer, setting her up as the heir apparent to CEO David Calhoun. **B1**

◆ **Consumer prices** in China fell for the second straight month, a deepening bout of deflation that shows Beijing's efforts to reignite faltering growth are falling short. **A8**

◆ **A California judge** granted class certification to a pay-equity lawsuit against Disney, setting the stage for a jury trial next year over claims the company paid women less than their male counterparts. **B3**

◆ **Elon Musk said** conspiracy theorist Alex Jones would be reinstated on the X social-media platform in a reversal of the billionaire's previous position. **B2**

◆ **Telehealth orthodontics** company SmileDirectClub, once valued at \$8.9 billion, said it would wind down global operations, effective immediately. **B3**

◆ **About 44 million** options contracts have changed hands on an average day in 2023, on track for an annual record based on Options Clearing Corp. data. **B1**

World-Wide

◆ **The Israeli military** is searching and detaining hundreds of Palestinian men in and around Gaza City, triggering concerns from human-rights groups that prisoners are being mistreated. **A1, A8**

◆ **New England Patriots** owner Robert Kraft is matching a \$100 million donation to his Foundation to Combat Antisemitism, giving the project \$200 million in new funding that he says will sustain the cause for decades to come. **A6**

◆ **Trump said he wouldn't** testify again in his civil-fraud trial, a change of course in the former president's defense against allegations that threaten his business empire. **A4**

◆ **The Biden administration's** efforts to renew a section of the Foreign Intelligence Surveillance Act faces an uphill battle amid increasing opposition from some members of both political parties and a looming end-of-year deadline. **A3**

◆ **Pressure on the Senate** to reach a sweeping deal combining funding for Ukraine with changes to immigration policy became more intense, with senators expressing urgency about concluding an agreement. **A4**

◆ **Arizona is poised** to take center stage in state-level battles over abortion this week when its highest court weighs whether to allow a near-total ban on the procedure to take effect. **A3**

◆ **Chinese coast-guard ships** blasted water cannons at Philippine boats near a contested atoll in the South China Sea, amid rising tensions between the two countries. **A9**

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Milei's Swearing-In Draws Visitor From Ukraine



GUEST LIST: Ukrainian President Volodymyr Zelensky, left, attended the swearing-in of Argentina's new president, Javier Milei, in Buenos Aires on Sunday. It was the Ukrainian leader's first official trip to Latin America. **A9**

Israel Faces Outcry as Photos Of Detainees in Gaza Emerge

By SHAYNDI RAICE AND CARRIE KELLER-LYNN

The Israeli military is searching and detaining hundreds of Palestinian men in and around Gaza City, triggering concerns from human-rights groups that prisoners are being mistreated.

The Israeli military says many of the men are militants who are surrendering, a sign that Hamas is losing control of the Gaza Strip, where intense fighting between both sides

continued on Sunday. But images circulating of what appear to be scores of men, stripped down to their underwear, come as international pressure mounts on Israel to abide by the rules of war and help alleviate the growing humanitarian crisis in Gaza.

"The war is still ongoing, but this is the beginning of the end of Hamas," Israeli Prime Minister Benjamin Netanyahu said on Sunday, adding that dozens of militants had surrendered to the Israeli

military. "I say to Hamas terrorists, it's over. Don't die for [Hamas leader Yahya] Sinwar. Surrender—now."

A Hamas spokesman denied that any of the group's fighters surrendered and said the images were of civilians arrested by Israeli forces. "The occupation has been accustomed to fabricating such scenes to create a presumed victory against our resistance fighters," he said.

In recent days, the Israeli media has shown photos and videos of dozens of Palestinian

men in their underwear being detained by the Israeli military. Late Saturday, a video circulated of a man emerging from a crowd in his underwear, carrying a rifle above his head and placing it on the ground.

In some of the images, men are blindfolded and sitting in rows. In most, they have their

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◆ **For Rep. Tlaib, Mideast war is a crucible.....** **A4**

◆ **Israel's grid plan for Gaza faces challenges.....** **A8**

Colleges' Free Speech Policies Draw More Scrutiny

By DOUGLAS BELKIN AND LAURA KUSISTO

Appearing before a House committee examining antisemitism, University of Pennsylvania President Liz Magill acknowledged that calls for genocide to the Jewish people are hateful—but said they are protected by the school's commitment to freedom of speech.

The next evening, in a video message, Magill backtracked and apologized for her testimony, saying the attacks were unacceptable.

"In today's world, where we are seeing signs of hate proliferating across our campus and our world, in a way not seen in years, these policies need to be clarified and evaluated," she said.

On Saturday, Magill said she was resigning as Penn's president, and Penn's board chair also stepped down amid continued pressure from donors, lawmakers and other critics.

Magill's flip-flop—and subsequent pledge to carve out broader exceptions to the First Amendment—is emblematic of the inconsistency with which Penn and other schools have applied free-speech principles on campus, some legal scholars said.

Too often, said Will Creeley, legal director at the Foundation for Individual Rights and Expression, schools will invoke the principles of free speech when it suits them, and condemn faculty and students who champion impolitic views

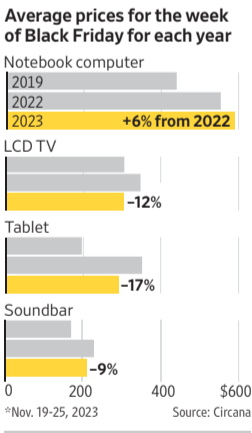
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◆ **Antisemitism charity gets \$200 million.....** **A6**

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Consumers Get a Break

Prices for electronics, appliances, flights and cars are showing signs of easing. **A3**



Investor Group Makes Offer Of \$5.8 Billion to Buy Macy's

By LAUREN THOMAS

An investor group has made a \$5.8 billion offer to buy Macy's, in a bid to take the famed department-store chain private after stiff competition from online rivals took a big bite out of its value.

Arkhouse Management, an investing firm focused on real estate, and Brigade Capital Management, a global asset manager, on Dec. 1 submitted a proposal to acquire the Macy's stock they don't already own for \$21 a share, people familiar with the matter said.

That represented a roughly 32% premium to where shares

closed the day before. They have risen this month and closed at \$17.39 each on Friday.

That is still a far cry from where Macy's stock traded in 2015—as high as \$70 a share—before competition from nimble digital retailers took a toll on the business and that of other erstwhile industry stalwarts.

The group already has a big position in Macy's through Arkhouse-managed funds. It has discussed the proposal with Macy's, whose board subsequently met to discuss the offer.

It isn't clear how the retailer views the proposal.

The investor group, which believes Macy's is undervalued in the public markets, has indicated that it would be willing to raise its offer, subject to due diligence.

An investment bank has provided a letter supporting the group's ability to raise the necessary financing to get a deal across the finish line.

Macy's operates nearly 500 department stores under its namesake banner. It also owns Bloomingdale's, a higher-end department-store chain with more than 30 locations, and a number of discount and smaller-format shops under

*Please turn to page A4*

Hamas Leader Studied His Enemy

Yahya Sinwar drove strategy to exploit Israel's willingness to trade prisoners

By RORY JONES, SUMMER SAID, DOV LIEBER AND SALEH AL-BATATI

When Hamas leader Yahya Sinwar was imprisoned in Israel more than a decade ago, he explained to an Israeli official a theory now central to the war in Gaza.

Sinwar said that what Israel considers its strength—that most Israelis serve in the army and soldiers hold a special status in society—is a weakness that can be exploited, said Yuval Bitton, who spent time with Sinwar as the former head of the Israel Prison Service's intelligence division.

The idea proved accurate in 2011 when Sinwar was one of 1,027 Palestinian prisoners freed for a single Israeli soldier.

Now, Sinwar is holding 138 hostages, including Israeli soldiers, and the Hamas leader is betting he can force

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Great Balls of Fire! Bus-Melting Jet Cars Are Getting Scarce

As racetracks close and engines get harder to find, the spectacles are endangered

By JOHN KEILMAN

Magditude is a 1946 Chevy pickup modified with a jet engine. It wasn't put there for speed.

On a rainy September night, the truck rumbled onto the infield of the Rockford Speedway in Illinois, stopping

with its business end about 10 feet from a junk minibus. The engine whined to life and shot a blast of fire from its afterburner, engulfing the bus until it was reduced to a charred metal skeleton.

"There's nothing left of that thing!" the announcer

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INSIDE



**PERSONAL JOURNAL**

Extra steps to keep distracted middle-school boys from falling behind. **A11**



**SPORTS**

Deal gives Ohtani a solid path toward playing in the postseason. **A14**

U.S. NEWS



THE OUTLOOK | By Nick Timiraos

Fed’s Next Puzzle: When Is It OK to Cut?

When Federal Reserve Chair Jerome Powell met in October with small-business owners in Pennsylvania, Julie Keene lamented how her family farm and food market had been blindsided by high inflation over the past two years. “Predictability is just gone,” Keene said. “It is very hard to operate a business in a world where there is not predictability.”

Powell curtly told Keene he saw one clear solution: “We get inflation down.”

So far, so good. Inflation has fallen faster this year than many Fed officials anticipated after hair-raising rate hikes that none of them envisioned two years ago.

The big questions are about when the Fed can start cutting rates and by how much. The answers will matter greatly to households, markets and possibly the 2024 election.

One danger is that Powell and his colleagues—blamed for reacting too slowly to address inflation—will wait too long to lower rates as they ensure inflation is fully extinguished. That mistake could curb economic growth too much, causing a recession.

The Fed’s other big error would be to trim rates too soon, failing to vanquish inflation. Officials are wary of reducing rates prematurely for fear that new shocks—a run-up in oil prices, for example—ignite a new inflationary surge, as occurred throughout the 1970s.

Powell and his colleagues are on track to hold rates steady this week. Officials last raised the benchmark federal-funds rate in July to



Julie Keene, lower right, and other business owners met with Jerome Powell, at head of table.

a range between 5.25% and 5.5%, a 22-year high.

Fed officials aren’t likely to entertain serious conversations about when to cut rates this week—and potentially for several months. Still, they don’t think rates need to remain at their economically restrictive setting indefinitely. Updated rate projections will show that most expect to cut rates somewhat next year.

“It would be very difficult if they cut rates now only to turn around and hike again later,” said David Wilcox, a former senior Fed economist now at the Peterson Institute for International Economics. “At the same time, they need to be on their front foot.”

Fed officials are trying to balance two risks: One is that they move too slowly and the economy finally crumples under higher interest rates.

The other is that they ease prematurely and inflation settles above 3%, a level inconsistent with their 2% goal.

Powell has no historical playbook. In most rate-hiking episodes in the past 35 years, the Fed sought to prevent inflation from rising rather than to lower it.

Lower price pressures have diminished Fed concerns that consumers and businesses will come to expect inflation to stay high, causing it to do so. And slower wage growth has eased fears of a so-called wage-price spiral, in which higher inflation is sustained because paychecks and prices rise in lockstep.

“By aggressively getting rates up above inflation and continuing to hike until inflation rolled over, the Fed overtightened policy to ensure against a wage-price spiral,” said Tim Duy, chief

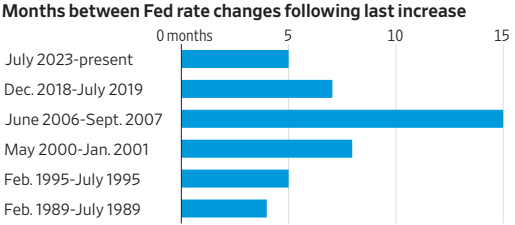
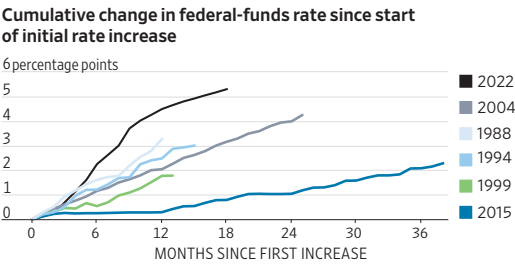
economist at SGH Macro Advisors. “For all intents and purposes, the Fed has restored price stability.”

Declining inflation could allow the Fed to consider whether and when to cut rates under two scenarios.

First, the Fed would cut simply because the economy is slowing and unemployment is rising faster than expected. If unemployment starts to rise in a way consistent with past recessions, “we’re back to our normal playbook,” Chicago Fed President Austan Goolsbee said in an interview last month.

A second, more tantalizing prospect for investors is that the Fed would cut even though the economy is doing fine because monthly inflation readings have returned closer to prepandemic lows.

Fed governor Christopher Waller fueled optimism about that possibility when he said recently that the central



Source: Federal Reserve

bank could theoretically begin reducing rates by the spring if inflation behaves especially well.

“If we see this [lower] inflation continuing for several more months...we might feel confident that inflation is really down,” Waller said.

Officials have been reluctant to publicly discuss cutting rates for fear that Wall Street will assume more reductions than could be warranted.

“There are plenty of things that could cause them to say, ‘We’re not in a rush to do this,’” said Eric Rosengren, a former Boston Fed president. He thinks a rate cut as soon as the second quarter of 2024 is possible.

Most of the disagreements over when the Fed should cut stem from differences over whether inflation will continue declining.

One camp says getting in-

flation down from a high of 7.1% to 3% is going to prove much easier than lowering it from 3% to 2%.

Another camp doesn’t assume that “last mile” will be particularly difficult. “There’s no evidence that we’ve stalled at 3%” inflation, Goolsbee said this month.

One reason for optimism is that rent growth has slowed sharply. Because of the way agencies calculate shelter costs, those declines filter through to inflation gauges more gradually.

A model built by Wilcox indicates that the cool-down in rents could lower core inflation to 2.1% by the end of 2024. The math “encourages me to think that the U.S. is much closer to conquering excess inflation than is commonly appreciated,” he said.

◆ **Heard on the Street: Fed must prepare to cut..... B13**

NEW YORK  
Billions to Be Spent On New Chip Plant

New York state is joining chip companies to invest \$10 billion in a semiconductor research facility at the University at Albany that is set to include some of the most advanced chip-making equipment in the world.

NY Creates, a nonprofit that oversees the Albany NanoTech Complex where the facility is to be built, will coordinate its construction. It will also use state funds to acquire chip-making equipment from ASML, a Dutch company whose machines can cost hundreds of millions of dollars and are key to making the most advanced chips possible.

Once the machinery is installed, the project and its partners will begin work on next-generation chip manufacturing there, according to New York Gov. Kathy Hochul’s office. The partners include tech giant IBM, memory manufacturer Micron and chip manufacturing equipment makers Applied Materials and Tokyo Electron.

—Asa Fitch

NEBRASKA  
Priest Dies After Attack in Rectory

A Catholic priest in a small Nebraska community died Sunday after being attacked in a church rectory, authorities said.

The Rev. Stephen Gutsell was assaulted “during an invasion” of St. John the Baptist Catholic Church in Fort Calhoun, Neb., the Archdiocese of Omaha said in a statement on Sunday.

Gutsell was taken to an Omaha hospital, where he died from his injuries, church officials said. Fort Calhoun, with a population of about 1,000 people, is roughly 20 miles north of Omaha.

Police received a 911 call of an attempted break-in at the church just after 5 a.m. When officers arrived, they found Gutsell injured and an alleged attacker inside. Authorities took the suspect into custody, Washington County Sheriff Mike Robinson said. “This is an ongoing investigation, and the name of the suspect or manner of death will not be released,” Robinson said.

—Associated Press

U.S. WATCH



CARVING A PATH: Skiing Santas graced the slopes Sunday in Newry, Maine, to raise money for River Fund scholarships.

Cigna Calls Off Deal Talks

Continued from Page One made no comment on the Humana talks.

“As we look at the broader landscape and the strategic opportunities before us, we will remain financially disciplined with a clear focus on executing against our strat-

egy,” Cigna Chief Executive David Cordani said.

Cigna continues to believe in the merits of a combination with Humana, the people said. The combined company would have been focused on improving access to care and lowering costs for consumers, they said.

Cigna also believes a deal would have been achievable from a regulatory perspective despite the administration’s tough stance on M&A.

The company intends to use the majority of its discretionary cash flow for share buybacks next year, including re-

purchasing at least \$5 billion of stock between now and the end of the first half.

A merger of the managed-care providers would have been huge. Even after the share declines, Cigna had a market value of roughly \$76 billion as of Friday, while Humana’s stood at \$59 billion.

A deal would have given the pair scale to rival that of UnitedHealth Group and CVS Health and vault the combined company into the top tier of integrated healthcare providers.

Cigna and Humana have held talks on and off for years. They previously discussed a transaction in 2015, but Humana instead struck a deal with Aetna. That wound up being blocked by a judge, leaving Aetna to be scooped up by CVS in 2018. Another deal that would have combined Cigna with Anthem, now known as Elevance Health, also died after an adverse antitrust ruling.

Cigna, which focuses largely on commercial insurance—the type provided by employers and bought by individuals—continues to explore the sale of its Medicare Advantage business, which could fetch several billion dollars in a divestment.

Selling its Medicare business while halting its pursuit

of Humana could leave Cigna shut out of an important and growing part of the insurance business that is favored by investors. Cigna has long lagged behind the top contenders in the business in terms of size and scale.

Cigna’s \$54 billion acquisition of Express Scripts Holding in 2018 made it one of the biggest players in pharmacy benefits, and it has been building up its Evernorth health-services unit, which includes an array of noninsurance businesses.

Louisville, Ky.-based Humana, the No. 2 Medicare in-

surer, is in the midst of a succession handoff—often an opportune time for would-be acquirers to pounce. Humana said in October that Jim Rechtin, previously chief executive of Envision Healthcare, would take over as president and chief operating officer, effective Jan. 8. Rechtin was then to take over as CEO from Bruce Broussard in the back half of 2024.

The abandoned deal talks between Cigna and Humana

offer another sign of how tough the M&A market has been this year, beset by high interest rates, concerns over the direction of the economy and greater antitrust scrutiny.

Merger volume in the U.S. is down 14% this year, at about \$1.2 trillion, according to Dealogic.

The two biggest transactions of the year thus far have both been in the energy sector.

—Anna Wilde Mathews contributed to this article.



The company plans to use much of its cash flow for buybacks.

JOE BIRLEWICZ/BLOMBERG NEWS

CORRECTIONS & AMPLIFICATIONS

John Linton is related to John Witherspoon, one of the signers of the Declaration of Independence, on his father’s side of his family. A World News article Friday about Linton’s role in South Korean politics incorrectly said those ties were maternal.

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

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

# Prices Decline For Flights, Cars As Food Stays High

By ALISON SIDER AND JAEWON KANG

One airline recently offered a \$20 one-way flight, TVs are cheaper than before the pandemic and appliances are on sale. After inflation surged to a four-decade high, consumers are finally finding deals. Supply-chain constraints have eased and manufacturers' staffing has improved, executives and economists say, helping get production lines humming again and helping push down prices.

At Famous Tate, which sells appliances and other goods across 11 stores in Florida's Tampa area, marketing director Jason Horst said that shoppers can find midrange washing-machine models about \$50 to \$100 cheaper than they were a year ago. Some manufacturers overproduced during the pandemic-driven demand surge, he said, and the glut led to price drops this fall.

Overall, prices for durable goods have fallen on a year-over-year basis for five straight months, according to the Commerce Department. For some product categories such as TVs, prices are lower than before the pandemic, according to Circana, a firm that tracks consumer goods. Grocery and clothing prices have continued to move higher, the Commerce Department data show.

## Electronics

Prices on consumer technology started falling last year as supply-chain delays eased. Imports from Asia started to flow more reliably into the U.S., and demand dropped since many people had already updated their tech products earlier in the pandemic, said Paul Gagnon, consumer-technology industry adviser for Circana.

At Best Buy, the average selling price of products was flat in the most recent quarter compared with the same period last year, said Matt Bilunas, chief financial officer at the electronics retailer. "I think we're starting to lap some of that deflation in that average selling price," Bilunas told analysts last month.

## Flights

Airline-ticket prices soared last year as surging demand ran up against worker shortages and delayed plane deliveries that prevented airlines from adding more flights.

Fares have cooled down as some of those constraints eased this year. Airlines added more U.S. flights, using bigger jets and flooding the market with airline seats. But many travelers gave priority to trips abroad this year, and some carriers resorted to discounts to fill domestic flights.

The consumer-price index for airfares has declined in five of the past seven months,

and in October the index was 13% lower than it was a year earlier, according to the Bureau of Labor Statistics. As of early December, fare deals for trips over the Christmas holiday averaged around \$350 round trip—up 3% from this time last year but down 2% from 2019, according to data from Hopper, a flight-booking app.

Not every ticket is a bargain. Southwest fares rose in the third quarter, up 2.6% from a year ago on average and up 7% from the same period in 2019. But the airline is putting fares on sale somewhat more than in the past, Chief Commercial Officer Ryan Green said last month.

"We have more seats to fill out there," said Green, adding that Southwest was targeting sales to flights that most need seats filled.

## Cars

Deals are gradually returning on auto-dealership lots, as vehicle inventory rebounds from the supply chain-driven shortages that led many new car buyers to pay thousands of dollars above the sticker price.

The average price paid for a new vehicle at retail was about \$45,300 in November, according to research firm J.D. Power, down from \$47,000 in December of 2022. The current average price remains more than \$10,000 higher than what it was before the pandemic.

Ford Motor Chief Financial Officer John Lawler said in late November that there is now parity between supply and demand for new vehicles. "We don't think that there's any pent-up demand left," he told investors. "We see, over the next year or so, prices coming down."

## Food

One place where consumers say they are still waiting for relief: the supermarket.

Prices for most foods are still rising or staying high, though some have declined over the past year. Average unit prices of avocados have decreased by double digits, while oranges, lobster and tilapia have declined by single digits, according to data by research firm NIQ. U.S. supermarket prices overall were up 2.1% in October from a year before, the Labor Department said last month.

Walmart, the country's largest retailer by revenue, sees some nonfood and fresh-food prices falling compared with earlier this year, but shelf-stable food and other consumable prices remain high, Chief Executive Doug McMillon said last month.

Kroger executives said on a quarterly conference call in November that while some fresh groceries have returned to typical levels of inflation, many packaged items haven't.

# Deadly Tornadoes Strike Central Tennessee



**LIVES SHATTERED:** Relatives sifted through the wreckage Sunday of a home in Clarksville, Tenn., one of many destroyed by weekend storms. Officials confirmed that six people died in the state and said about 60 others were treated at medical facilities.

# Abortion Battleground Shifts To Arizona Supreme Court

Justices to consider allowing near-total ban dating to 1864, animating both sides

By ELIZA COLLINS AND LAURA KUSISTO

PHOENIX—Arizona is poised to take center stage in state-level battles over abortion this week when its highest court weighs whether to allow a near-total ban on the procedure to take effect.

The case will kick off an election-year showdown over reproductive rights that is expected to heavily influence the outcomes of Arizona's hyper-competitive 2024 races, including contests for Congress and the White House. Activists are gearing up to put an abortion-rights measure on the ballot in Arizona next year.

The state Supreme Court is set to hear arguments on Tuesday about whether to allow a near-total abortion ban dating back to 1864 to take effect. An appellate court a year ago ruled that the 19th-century measure needed to be harmonized with a more recent law banning most abortions after 15 weeks of pregnancy, in effect allowing women in the state to have abortions up until that later point.

If the justices allow the older law to take effect for the

first time in some 50 years, it could inflame tensions in the state and boost the ballot measure's chances of passage. Polling nationwide shows that most Americans want abortion to be legal either in all or most cases with some restrictions.

Voters have favored abortion rights in seven consecutive state referendums since the U.S. Supreme Court overturned Roe v. Wade in June 2022. Since then, strict abortion laws have taken effect in some 16 states. The issue is also coming to the fore in Texas, where there is a legal fight over a judge's decision to grant an emergency request allowing a pregnant woman whose fetus has a fatal diagnosis to get an abortion there.

Abortion-rights groups are eyeing 2024 ballot referendums in at least half a dozen states, including Nevada and Florida, but they see Arizona as the most promising because it has a relatively straightforward process for getting a measure on the ballot, Democratic allies in influential offices and voters sympathetic to messages about personal freedom.

The state will be a focus for both parties next year, with national money pouring in to influence the presidential race all the way down to the state legislature. Democrats see the abortion initiative as a possible turnout boost in a state that

was once a Republican bastion. "We're a pretty independent-minded state in Arizona. For a lot of Republican women and independents, the Dobbs decision was a bridge too far," Arizona Attorney General Kris Mayes, a Democrat, said of the Supreme Court decision that overturned Roe.

Mayes said abortion was central to her 280-vote victory in November 2022. Arizona Gov. Katie Hobbs, another Democrat, made abortion access central to the campaign she also won narrowly.

Antiabortion activists are emphasizing that the ballot measure would protect abortions until fetal viability and potentially open the door for abortions even later than that if a mother's life or health is in danger. Their campaign is called "It Goes Too Far."

"Just because someone says they are pro-choice that does not mean that they want [no restrictions]," said George Khalaf, a Republican strategist and senior adviser to the opposition effort.

In last year's midterm elections, Democrats in Arizona and other parts of the country won some major competitive statewide races by pulling in independent and centrist Republican voters.

Two-thirds of Arizona voters said the Supreme Court's decision to eliminate a federal constitutional right to an abor-

tion was a factor in their 2022 vote, according to the election survey AP VoteCast. And 61% of those surveyed said they favored guaranteeing access to legal abortion nationwide.

A coalition of abortion rights groups is working to gather twice the roughly 384,000 signatures required to put a constitutional amendment on Arizona's ballot, to bolster the chance of making it through potential legal challenges. Anti-abortion groups are seeking to make it harder to amend the constitution in some states.

Interviews in the district show that having a separate abortion-rights measure could give voters the opportunity to split their tickets and vote for the ballot measure as well as for candidates who support abortion restrictions.

Gail Nierad, 73, a retired nurse from Paradise Valley, will likely support GOP candidates in next year's election. At the same time, she said she would vote to expand access to abortion because even though the candidates she is likely to back have more restrictive views on the topic, "I believe in it."

Kathy Kay, 76, another retiree from Scottsdale, is a registered Democrat who now votes Republican. She said she supports the current 15-week law but believes allowing abortion until viability goes too far. She will likely oppose the ballot measure.

# Key U.S. Spying Tool Faces Uphill Battle

By DUSTIN VOLZ

WASHINGTON—The Biden administration's efforts to renew legislation that allows the U.S. to track the electronic communications of terrorists, spies and hackers overseas is facing an uphill battle amid increasing opposition from some members of both political parties and a looming end-of-year deadline.

For years, privacy advocates have criticized the law, but Congress renewed the legislation twice with broad bipartisan support. Fifteen years after it was first passed, a tool designed to track threats abroad has been caught up in domestic political controversies at home and is on the verge of dying—or being sharply curtailed—even as the U.S. faces renewed concerns about terrorism in the Middle East.

Section 702 of the Foreign Intelligence Surveillance Act is among the most powerful tools wielded by U.S. spy agencies. Information collected by it contributes to more than half of the intelligence briefed daily to the president. But because of how it warrantlessly gathers communications data from Americans, it has long pitted privacy advocates who have decried the potential for abuse against a national security establishment concerned with



**FBI Director Christopher Wray at a Senate hearing last week.**

preventing calamitous attacks, such as the next 9/11.

Now, however, the legislation is ensnared in an increasingly polarized political environment that has seen once-bedrock support from the Republican Party splinter, with some GOP lawmakers eager to see it reformed, or even die, and Democrats split on how to salvage it.

Congressional leadership has tucked a short-term extension of the spying power into a must-pass annual defense authorization bill that lawmakers will vote on as soon as this week. Assuming the bill passes, it puts Section 702 on life support until April, when lawmakers will have to decide how—or whether—to renew it long term.

The Federal Bureau of Investigation has acknowledged past abuses involving data collected under Section 702, such as its use to spy on domestic political protests. But the legislation has also attracted the scorn of some Republicans who have grown increasingly suspicious of U.S. government surveillance after the investigation of former President Donald Trump's 2016 political campaign over potential ties to Russia.

Part of the challenge has been national-security officials' insistence that data collected under Section 702 is vital to national security, but their refusal to release details because of secrecy around the program. In a letter sent to Congress last week, senior law-enforcement

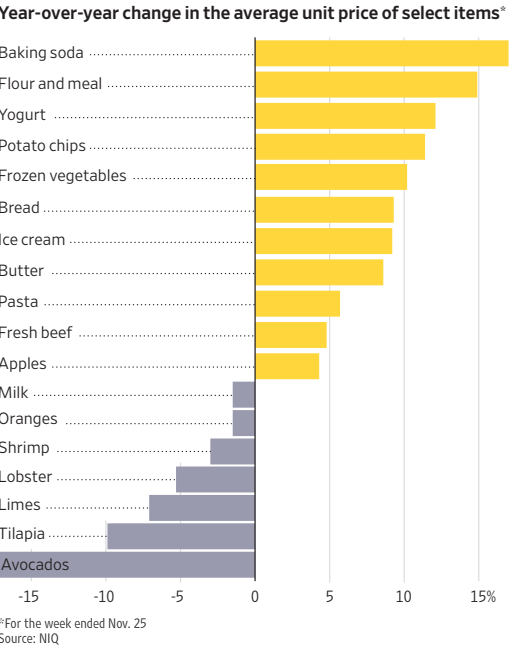
and intelligence officials said Section 702 "is vital for insights into foreign terrorist organizations, including Hamas."

While the letter cited historic examples of terrorist plots that Section 702 helped prevent, it gave no specifics related to the current conflict.

The question now is whether the Biden administration can overcome increasing suspicions among these Republicans and the concerns of more traditional privacy advocates to get the law renewed before it expires. If it doesn't succeed, then the U.S. government will be committing what the President's Intelligence Advisory Board recently said would be "one of the worst intelligence failures of our time."

The Foreign Intelligence Surveillance Act allows the National Security Agency to collect communications of foreigners living overseas from U.S. companies such as Alphabet's Google, Meta Platforms, Microsoft and Apple, as well as from telecommunications firms.

But the global nature of digital traffic means the program also collects an unknown amount of texts, calls, emails and other digital content belonging to Americans. The U.S. government can then search that U.S. data about national security threats and, in rare cases, evidence of a crime.



U.S. NEWS

Urgency Seen on Border, Ukraine

Senators race for a deal on \$110.5 billion aid package as GOP seeks concessions

By ARUNA VISWANATHA AND MICHELLE HACKMAN

WASHINGTON—Pressure on the Senate to reach a sweeping deal combining funding for Ukraine with changes to immigration policy amped up, with senators expressing urgency about an agreement and President Biden bringing Ukrainian President Volodymyr Zelensky to the White House.

Heading into a crucial week for the negotiations, key senators said Sunday that they were racing for a deal on the \$110.5 billion emergency package, as aid for Ukraine in its war with Russia runs dry and illegal crossings at the U.S. southern border match record highs.

The White House said the Bi-

den-Zelensky meeting Tuesday will cover “Ukraine’s urgent needs and the vital importance of the United States’ continued support at this critical moment.”

“This is one of the most dangerous moments that I’ve ever faced in American politics,” Sen. Chris Murphy (D, Conn.), said on NBC. “If we don’t solve this in the next few weeks, [Russian President] Vladimir Putin is going to have an opening to march through the Ukrainian lines to make a move on Kyiv, threatening all of Europe.”

Republican Sen. James Lankford of Oklahoma said surging illegal border crossings were similarly untenable. “We can’t just sit and say we’re going to do nothing,” he said on CBS.

Negotiations are a high-stakes balancing act. The White House warned Congress last week that funding to help Ukraine repel Russia’s invasion—a Biden priority—would run out by the end of this year,

and senators currently plan to leave for the Christmas break at the end of this week.

While the immigration system is something both parties say should be fixed, sharp disagreements as to how have be-deviled compromise for years, and Biden risks alienating part of the Democratic camp if he surrenders too much to get a deal.

Republicans insist on sweeping changes to immigration policy, aimed at curbing the flow of migrants heading for the southern border, as a condition to passing the security assistance package with funding for Ukraine, Israel and Taiwan. Though most Republican Senators support that assistance, the party banded together to block a version of the measure last week that didn’t contain any border-policy measures.

White House budget director Shalanda Young urged the negotiators to find common ground. “You can’t have every-

thing your way in a negotiation. Democrats and Republicans have to vote for this bill. So I agree it’s time to cut a deal that both sides can agree to,” she said, also speaking on CBS.

Zelensky has twice visited Washington in the past year, getting a hero’s reception last December when he addressed Congress and a more muted welcome in September as political divisions over Ukraine aid surfaced. His stop this week seems timed to prod negotiations on the assistance package.

Aside from seeing Biden, Zelensky will speak at an all-senators meeting Tuesday at the invitation of Senate Majority Leader Chuck Schumer (D, NY) and the chamber’s top Republican, Mitch McConnell of Kentucky, a Senate aide said. House Speaker Mike Johnson will also meet him, a Johnson spokesman said. The Louisiana Republican, who voted against Ukraine assistance this fall, has become a supporter since be-

coming speaker in October.

Though the negotiations had made little progress for weeks, they received a jolt this past week when White House officials indicated to Republican negotiators that Biden is willing to discuss major concessions to curb access to asylum.

Among those are a tightening of the initial screening standard migrants must clear to proceed with a full asylum case. The administration has also signaled openness to designating “safe third countries” where asylum seekers at the border could be sent and expanding rapid deportations nationwide rather than just at the border.

Republicans, however, are seeking stricter measures. In a counteroffer sent to Democrats on Thursday, Republican negotiators asked for the addition of a new power to suspend asylum processing at the border—like the pandemic-era Title 42 policy, but without a public-health justification.

Trump Won’t Testify Again in Civil Trial

By JACOB GERSHMAN

Donald Trump changed course on Sunday and said he wouldn’t testify again in his civil-fraud trial, an unexpected pivot in his defense against allegations that threaten the Republican presidential front-runner’s business empire.

Trump had been scheduled to take the stand Monday as his lawyers near the conclusion of their defense presentation. The trial began in October and is being decided without a jury, over allegations that the former president lied about his wealth for financial gain.

In a pair of all-caps posts on his social-media platform Sunday afternoon, Trump said he had already testified “successfully & conclusively” that his actions were lawful and had nothing more to add in a trial that he called corrupt.

“I have already testified to everything & have nothing more to say other than that this is a complete & total election interference (Biden campaign!) witch hunt,” Trump wrote.

Trump delivered combative testimony a little more than a month ago when lawyers for the New York attorney general questioned him about what he knew about his asset valuations that helped him secure hundreds of millions of dollars in financing before his political rise about a decade ago.

He lashed out at the judge deciding the case, hurled insults at Letitia James, the Democratic state attorney general who sued him, and expressed his contempt for the entire proceeding.

The presiding judge, Justice Arthur Engoron, before the trial found that Trump and his co-defendants violated a state fraud statute by concealing low appraisals, ignoring land-use restrictions, misrepresenting his control over cash holdings and relying on bogus investment metrics.

The judge is conducting the trial largely to determine the scope of Trump’s allegedly ill-gotten gains, which James alleges amount to \$250 million, and to decide whether Trump should be restricted from doing business in New York.

Despite potentially severe consequences for Trump’s business empire, the New York case along with other legal cases he faces, including two related to his attempt to overturn the 2020 election, have only made him stronger as he seeks a White House comeback.

Republican voters, elected officials and even his GOP primary rivals have rallied around his claims of political persecution.

He has raised millions of dollars for his campaign and mounted a nearly insurmountable lead in the polls.

For Tlaib, Mideast War Is a Crucible

By MOLLY BALL

DEARBORN, Mich.—Rep. Rashida Tlaib hasn’t spoken with her own party’s president since accusing him of supporting the genocide of Palestinians, and she doesn’t know if she can support his re-election.

“The struggle that I have with the president is a number of issues,” she said in an interview as she kicked off her re-election campaign here on a recent Saturday afternoon, weeks after being censured by a bipartisan House majority for her statements about Israel. Many of her constituents, she said, are Middle Eastern refugees who feel a personal connection to events there. “And they feel invisible to the government,” she added, “and that’s something I need to have a conversation with [President Biden] about.”

Since the Israel-Hamas war began, no politician has been more at the crux of the divisions it has spawned within the Democratic Party than Tlaib, the only Palestinian-American in Congress. The progressive firebrand has emerged as a strident critic of Biden’s support for Israel in the conflict, and has been called an antisemite and terrorist sympathizer in response.

At her campaign launch at the hall of a United Auto Workers local, Tlaib was selling T-shirts in two different designs: one reading “Justice From Detroit to Gaza,” another saying “Speak Truth to Power” in English and Arabic. The local Democratic Socialists chapter passed out “Defend Rashida” signs.

Tlaib was accompanied at the event by a two-person plainclothes security detail; the Capitol Police have stepped up their protection in response to death threats she has received. Jewish-American groups have spent hundreds of thousands of dollars airing ads accusing her of being “on the wrong side of history and humanity” and calling on constituents to vote her out.

Yet while several of Tlaib’s



Rep. Rashida Tlaib launched her re-election campaign this month at a United Auto Workers local hall in Dearborn, Mich.

pro-Palestinian colleagues have drawn primary challenges, no Democrat has emerged to run against Tlaib in her home district, a working-class swath of the Detroit area with a large Arab-American population.

For Tlaib, 47, the crisis has been a crucible, further alienating her from her party’s establishment while strengthening her resolve to speak for a community she believes has little other voice. Her views, she argues, are more in tune with the Democratic electorate than Biden’s support for Israel. If Biden doesn’t change his tune, she warns, 2024 could be a repeat of 2016, when many people “didn’t feel like they had a choice between Hillary Clinton and Donald Trump,” who won Michigan by less than 11,000 votes.

“Being a member of the Democratic Party, are we able

to really grab our base of people, our working-class communities that need to feel like we have their back?” she asked.

Congress, Tlaib said, is full of millionaires, “sellouts” and “warmongers” who have never lived paycheck to paycheck and can’t understand regular people’s struggles. Those struggles—to end fossil fuels, to ensure women’s bodily autonomy, to make Black lives matter, to make healthcare universal—are all connected, she insisted. She got her biggest cheer from the crowd when she said, “Cease-fire movement is in this room!”

Tlaib’s father was born in East Jerusalem, her mother in the West Bank. They fled the Mideast in the aftermath of the 1967 Arab-Israeli War, during which, Tlaib has said, her mother’s father was shot by an

Israeli soldier but survived.

Tlaib was born in Detroit, where her father worked at a Ford plant and the family sometimes relied on public assistance. It often fell to Rashida, the oldest of 14 children, to translate for her immigrant parents and care for her younger siblings. They attended a mosque around the corner from the UAW hall.

After graduating from law school, Tlaib worked for an Arab-American nonprofit and filed lawsuits for environmental causes. In 2008, she ran for state legislature at the urging of Steve Tobocman, a Jewish state representative who was leaving office due to term limits. Tobocman recalled Tlaib trespassing on an industrial site to snatch a sample of petroleum coke for testing to prove it was toxic, and lying

down in front of trucks on a bridge. Community issues, not foreign policy, were Tlaib’s animating issue, he said. “She’s not an antisemite,” he said.

Tlaib favors a “one-state solution” to the Israeli-Palestinian conflict, a single democratic state in which Jews and Arabs would live side by side and enjoy equal rights. She opposes American military aid to Israel.

In May 2021, with bombs falling on Gaza, she and Biden had a tense eight-minute conversation on the tarmac at the Detroit airport, in which Tlaib told him his policies were “enabling” the misery Palestinians face. Later that day, the president praised her publicly for being “a fighter.”

—Ken Thomas and Paul Overberg contributed to this article.

Macy’s Is Target for Purchase

Continued from Page One the two banners.

In 2015, Macy’s acquired beauty and skin-care chain Bluemercury, which has nearly 160 shops today.

Macy’s generated about \$1.2 billion of profit on \$24.4 billion in revenue in the latest fiscal year. That was a slight de-

crease from the \$1.4 billion of profit on \$24.5 billion in revenue in 2021. In 2014, it booked more than \$28 billion in sales.

Its cultural significance outweighs its diminished size, owing to the annual Macy’s Thanksgiving Day Parade and extravagant window displays at its stores in New York City around the holiday season.

Macy’s, the culmination of decades spent gobbling up smaller department-store chains across the U.S., has been a takeover target before. Canada’s Hudson’s Bay Co. approached the company about a deal in 2017, to no avail. More recently, in 2021, Macy’s studied splitting off its e-commerce operations from its stores, but ultimately opted against such a move.

Macy’s has also been the target of shareholder activists, with a particular eye on the company’s real estate. Starboard Value built a stake in 2015 and pushed the company to spin off its real-estate assets, including its famous Herald Square location in New York City. Jana Partners was in Macy’s stock in 2021, when it pushed for the e-commerce



Macy’s operates nearly 500 of its namesake department stores and 30 Bloomingdale’s outlets.

separation.

The company has been undergoing a turnaround effort spearheaded by Chief Executive Jeff Gennette, who is set

to retire next year and be succeeded by Tony Spring, head of Bloomingdale’s. The effort has entailed closing hundreds of underperforming locations,

opening smaller-format shops, launching new in-house brands and modernizing the company’s supply chain.

The department-store sec-

tor has experienced waves of consolidation and bankruptcy in recent years. In 2020 alone, JCPenney, Neiman Marcus and Lord & Taylor all filed for bankruptcy, to later emerge as smaller or digital-only players. More recently, Saks—owned by Hudson’s Bay—has been trying to scoop up Neiman Marcus.

Arkhouse is an investment firm that typically focuses on the real-estate industry. In 2021, it was part of a consortium that made an unsolicited bid for Columbia Property Trust, which put the office real-estate investment trust in play. A different investor group ultimately agreed to buy Columbia Property Trust for \$2.2 billion.

Arkhouse’s only other public position was in Preferred Apartment Communities, which was sold to Blackstone in a \$5.8 billion deal last year.

Brigade Capital Management, which focuses on the consumer and retail industries, has about \$25 billion of assets under management. Some of its investments have included JCPenney, Sears and Neiman Marcus.

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U.S. NEWS

# Antisemitism Charity To Get \$200 Million

By Andrew Beaton

New England Patriots owner Robert Kraft is matching a \$100 million donation to his Foundation to Combat Antisemitism—giving the project \$200 million in new funding that he says will sustain the cause for decades to come.

Kraft’s donation, which comes two months after the Hamas attacks that plunged Israel into war, equals one made by the Norman R. Rales and Ruth Rales Foundation, and he says the donations will allow FCAS to significantly expand its operations with permanent financing.

“This is a foundation that can’t run for the next two to three years, it has to run for at least a couple decades,” Kraft says. “I’m not sure its work will ever be done.”

Kraft’s foundation has taken

on a more prominent public profile over the last couple of years. It launched a “Stand Up to Jewish Hate” ad that ran during the last NFL season after a string of high-profile antisemitic incidents, such as comments by musician Kanye West. Earlier this year, the 82-year-old committed \$25 million to broaden the campaign and educate the public about the rise in antisemitic incidents.

The commercials have included a small blue square, which represents the percentage of the Jewish population in the U.S., that grows larger to reflect the disproportionate number of religious hate crimes that target the Jewish community in the country. Since then, blue squares either tacked onto lapels or on social media have become a prevalent symbol of fighting antisemitism. The new influx of

money, the foundation says, will allow it to reach even more people—on TV, social media and even in-person.

Kraft says the foundation has already observed a sizable and quantifiable impact from its work: its internal research shows that the number of people who were willing to stand up and support Jewish people receiving acts of hate has gone from 20% of the population to 40%.

Joshua Rales, who runs his family’s foundation, said they were first spurred to take action after the 2018 shooting at the Tree of Life synagogue in Pittsburgh, where he grew up. His late grandparents had once fled persecution in Europe, and his father was raised in a Jewish orphanage in the U.S. before launching a successful business career.

Kraft started the Founda-



Robert Kraft, center, was joined by rapper Meek Mill, second from right, at the annual March of the Living, which honors Holocaust victims, in Poland earlier this year.

tion to Combat Antisemitism in 2019 in response to several incidents over the preceding years.

Earlier this year, the Anti-Defamation League, a Jewish advocacy group that studies antisemitism, said that 2022 witnessed the most antise-

mitic incidents in the U.S. since it began tracking in 1979.

The situation became even more salient on Oct. 7, when Hamas militants invaded Israel over the Gaza border.

The two-month-old war has prompted concerns over both

antisemitism and anti-Muslim acts both in the U.S. and across the globe. Kraft notes how recent commercials featured by the foundation have also called out the rise in hate against other groups, such as the Black, Muslim and Asian communities.

## Campus Speech Gets Scrutinized

Continued from Page One

when it doesn’t.

“It’s hard to see these schools present themselves as bound by these promises of free expression when they are very happy to ignore them or violate them in other instances,” said Creeley, whose organization advocates for free speech on campus.

The jurisprudence surrounding free speech and the First Amendment is complex and nuanced, having evolved over 230 years. Often, the line between free speech on the one hand, and harassment and intimidation on the other, can be difficult to discern.

Still, Creeley and others

pointed to examples in recent years in which private-college and university presidents seem to have embraced free-speech arguments in some contexts, but shrink from them when asked to defend politically unpopular ideas or scholarship.

Several instances involved professors whose scholarship or commentary was viewed as critical of groups considered protected minorities.

A noteworthy recent example involved the Penn law professor Amy Wax, who has spoken frequently and publicly about her preference for Western culture and against race-based affirmative action. The school has acknowledged her right to free speech but still moved to have her dismissed. She remains at the school.

In recent years, petitions have targeted Penn professors who wrote papers about eugenics, condemned the mass gathering of Muslims during the Covid pandemic and criticized affirmative action and antiracism efforts in medical schools. In 2021, a Penn anthropology professor was pressured to resign after he sarcastically gave a Nazi salute during a Zoom meeting.

In 2021, the Massachusetts Institute of Technology, whose president testified alongside Magill last week, canceled a lecture by the University of Chicago scientist Dorian Abbot after faculty and graduate students complained that his criticisms of affirmative action were unacceptable.

Other recent disruptions,

cancellations or withdrawals of speaking events have occurred at Yale University, Stanford University and Vassar College.

“The track record of these schools is terrible, absolutely terrible,” said Nadine Strossen, professor of law emerita at New York Law School and author of “Free Speech: What Everyone Needs to Know.” She added: “The problem with all the deans and presidents who have not defended free speech is not that they are activists, it’s that they are spineless.”

Meanwhile, many students are engaging in self-censorship to avoid being punished for views considered problematic on campus, according to numerous surveys.

Private colleges generally aren’t bound by First Amendment protections. But most private schools have crafted codes of conduct that track constitutional guarantees for free speech—including the expression of views on campus that might be considered rac-

ist, antigay or sexist.

Penn’s code of conduct guarantees students the right to free expression and thought. It also carves out an exception to free-speech protections for behavior defined as harassment, which generally involves speech that targets specific students in a repetitive way.

Political slogans that students could interpret as calls for violence, such as chanting “intifada,” wouldn’t constitute harassment, according to many scholars. They were more divided on whether a call for genocide against Jews would fall under that standard.

“If you’re calling for the genocide of people in front of those people, yes, that is harmful and threatening and degrading,” said Laura Beth Nielsen, a professor of sociology and law at Northwestern University.

On many college campuses, Jewish students aren’t considered a protected minority. So

when protests began that advocated for Palestinians and condemned Israel by calling for Israel to be wiped off the map, schools were slow to condemn such a stance and categorized it as free speech.

Pushback from the Jewish community, including from some alumni who have made significant donations to their schools, have presented their administrations’ approach as evidence that codes of conduct, especially as they relate to free speech, aren’t being applied in evenhanded ways.

The behavior indicates that schools are quick to restrict speech that could harm or offend some vulnerable groups, but won’t do the same for Jewish students, said Tom Ginsburg, a law professor and faculty director of the University of Chicago’s Forum for Free Inquiry and Expression.

“Schools, they seem to have different standards for different groups and different crises,” Ginsburg said.

The line between free speech and harassment is often hard to discern.



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U.S. NEWS

# When Touting a Young Workforce Is Trouble

By **AUSTEN HUFFORD**

A moving company shows off the clean-cut, chiseled student athletes who pump iron before loading your furniture. The federal government says that is a problem.

The Equal Employment Opportunity Commission sued Fresno, Calif.-based Meathead Movers this year for violating age-discrimination law by not hiring enough older workers. Employment attorneys and trade groups say the case will offer clues as to how the agency will approach antidiscrimination laws now that President Biden’s picks are installed.

Commissioners voted seven times on age-discrimination matters since Democrats gained control in August, compared with three age-related matters earlier in the year. EEOC Chair Charlotte Burrows, whom Biden elevated, has said she would vigorously enforce age-discrimination laws as older workers regularly face age bias, stereotypes and discrimination.

The focus on age discrimination comes as America’s workforce is getting older. Nearly a quarter of U.S. workers are 55 and older, and the Labor Department estimates that the number of people 65 and older in the labor force will grow by a third over the next decade.

“They are very interested in bringing aggressive enforcement actions,” Andrew Maunz said of the EEOC. He was the agency’s legal counsel during the Trump administration.

Some Meathead Movers’ trucks are stamped with the moniker “student athlete movers.” Youthful-looking employees pump iron before grabbing furniture, according to a recent social-media advertisement.

Employees face off in the Meathead Olympics, competing to assemble and leap over boxes. Numerous corporate Facebook posts show workers flexing with biceps bulging. Employees, dubbed “Meatheads,” must jog from truck to house when not carrying furniture. The Meathead Movers Invitational is a company-sponsored wrestling tournament.

Meathead Movers executives say that the company is providing good jobs and quality services to the community and that it isn’t discriminating against anyone—older workers just don’t want to carry chests downstairs.

“We are 100% open to hiring anyone at any age if they can do the job,” said company owner Aaron Steed. “People love working at Meathead, or they are turned off by how hard it is. You have to move furniture and run to get more.”

Many of the EEOC’s allegations against Meathead focus on marketing and hiring practices that could discourage older workers from applying. Current employees are asked to scour local gyms, colleges and places where they would hang out normally for new hires, according to the EEOC.

Discouragement bias can be present in job ads, marketing materials and job-application questions, such as asking about a student’s class schedule, the agency said.

“Word-of-mouth is never a good way to recruit,” said Nicole St. Germain, a spokeswoman for the EEOC.

The investigation into Meathead Movers was started in 2017 by the EEOC itself and not by a complaint. The agency typically investigates companies after someone files a complaint. It received more than 70,000 complaints in its latest year and filed 91 em-

ployment-discrimination lawsuits.

The agency and the company tried to negotiate a settlement. The agency initially wanted around \$15 million and then lowered that to around \$5 million, according to an email from a Meathead representative to commissioners that was reviewed by The Wall Street Journal. Meathead offered \$750,000 to settle. Meathead and the EEOC declined to comment on the details of the negotiations.

In September, the agency filed the lawsuit.

“We had no idea we were doing anything wrong by be-

ing a moving company that hires a lot of student athletes,” Steed said. “We want to change and evolve, but we can’t agree to go out of business doing it.”

Advocates for older Americans applaud the EEOC’s focus.

“Dwayne ‘The Rock’ Johnson is over 50. I’m pretty sure he would be good at moving boxes,” said Bill Alvarado Rivera, senior vice president for litigation at AARP, an association for the rights of older people. “That kind of stereotype about who could be a good mover has no place in an economy that values individ-

uals.”

Others disagreed, saying that antidiscrimination lawsuits could hurt the types of workers they are trying to protect.

Walter Olson, a senior fellow at the libertarian think tank Cato Institute, said age-related lawsuits could make companies less likely to hire older workers because they are a liability risk.

“It is the most counterproductive of all the major areas of discrimination law,” he said. “It makes them less employable late in their careers because they are known as litigation dangers.”



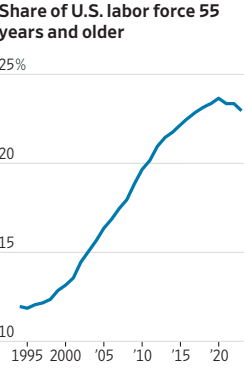
Youthful Meathead Movers employees pump iron before lifting furniture, according to a recent social-media advertisement.

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Note: Reflects share of civilian labor force  
Source: Labor Department

WORLD NEWS

Israel’s Grid Plan Faces Challenges

Life in Gaza’s ‘deconfliction zones’ fraught with danger and overcrowding

Marah Jamala, a 21-year-old Palestinian student, received a robocall from the Israeli military last week warning that the neighborhood where she and her family were staying in Khan Younis was going to be unsafe because of fighting between Israeli soldiers and Hamas.

By Jared Malsin, Dov Lieber, Michael R. Gordon and Abeer Ayyoub

The call instructed her family to leave for another area the military said would be safer. Her family piled their belongings into a donkey cart and headed even further—to Rafah, a city on Gaza’s border with Egypt.

Nearly every day now, the Israeli military warns Palestinians to leave swaths of the Gaza Strip—identified by numbered grids—where they expect intense fighting and urges them to seek shelter in so-called deconfliction zones that they say will be safer.

Israel says the new grid system, which it started using recently, is designed to give Palestinian civilians a chance to get out of harm’s way while its forces battle Hamas, which it accuses of hiding among civilians and using tunnels dug beneath Gaza’s urban centers.

Officials in the Hamas-controlled enclave say more than 17,000 people have been killed in the fighting. Those figures don’t distinguish between militants and civilians. Gazan officials say about 2,600 of the dead have been killed since Israel began the new system, a daily rate roughly the same as before the change.

Israel’s leaders have come under mounting pressure from the U.S. and others to find ways to reduce the toll on civilians. Whether the grid system succeeds in doing that could determine the course of support for the war in Washington and elsewhere, as Israel wages a potentially lengthy campaign to uproot Hamas.

Hamas militants stormed southern Israel on Oct. 7, killing 1,200 people, according to Israeli authorities. Israel responded with a campaign of airstrikes followed by a ground invasion.

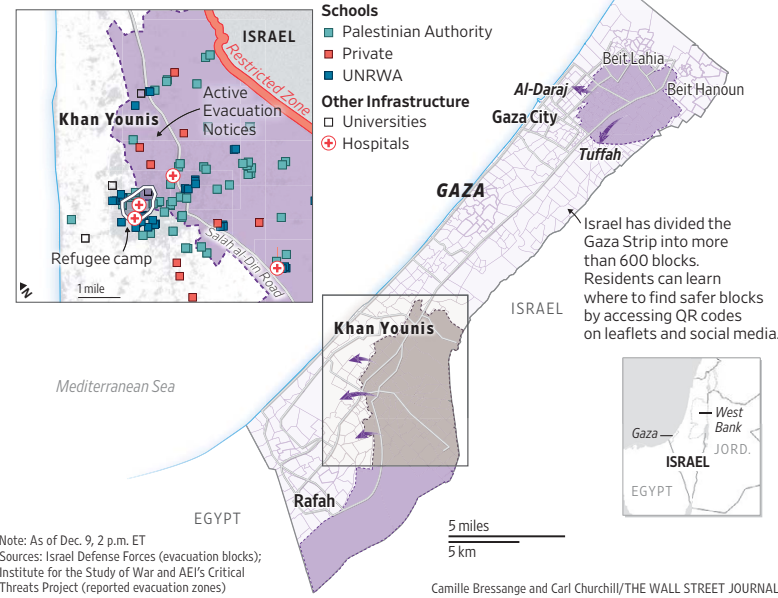
Israel says it is getting the word out about its new system with phone calls, leaflets dropped from aircraft, social media, and radio and TV broadcasts.

The message delivered by the Israeli military’s Arabic



Displaced Palestinians sheltering at a United Nations-run school in Khan Younis in the southern Gaza Strip.

Evacuation areas in Gaza Strip



spokesman, Avichay Adraee: “Obeying evacuation instructions is the safest way to preserve your safety, your lives, and the lives of your families.”

Implementing the plan is fraught with challenges. In recent days civilians have started to overwhelm Rafah, outstripping the ability of relief agencies to respond, according to the U.N.

Thousands of newly arrived evacuees are sleeping in the streets, jamming into already overcrowded schools, and setting up camp in abandoned buildings. Israel and Egypt have sealed their borders with Gaza, leaving Palestinians with no choice but to scramble from place to place as the

war unfolds.

The U.N., Palestinian officials and witnesses in Gaza say strikes have hit at least one area that was designated as a haven under the new system. The strike in Rafah on Dec. 6 killed 22 people, according to Palestinian officials and a list of the names of the dead reviewed by The Wall Street Journal. Palestinian residents at the scene blamed Israeli forces for the attack. Two days earlier, the Israeli military had directed people from Khan Younis to head to the area.

Asked about the strike, the Israeli military said it “takes feasible precautions to mitigate civilian harm.” Israeli

military officials acknowledge there is no place in Gaza that is totally safe but say the designated areas are safer.

The plan faces other challenges. If evacuation areas are too broad, waves of displaced civilians might overwhelm the diminishing areas of Gaza where they can seek shelter from the fighting, former and current U.S. officials say.

According to the U.N., renewed fighting and the current exodus of people has already outstripped its ability to respond.

Another concern is the possibility that Hamas fighters could move into some of the deconfliction areas with the Israeli military in hot pursuit.

The Biden administration has spoken approvingly of the new grid approach. But some U.S. officials have also voiced concern that the plan isn’t playing out the way it was intended.

Israeli evacuation orders appear to cover areas in Khan Younis and areas north and east of the city that together contain around 600,000 people, according to international aid officials. Moving so many people could overwhelm Gaza’s humanitarian aid system, they said.

The grid system, which calls for systematic and orderly relocations of people, has also run into the chaotic realities of civilians fleeing for safety during war. Anxious to get away from fighting, many Palestinians have simply headed south rather than follow the maps.

Lacking regular electricity and internet access, many Gazans can’t see the online maps. The paper leaflets only include general instructions to leave and go to another area.

Gazans have also expressed confusion after Israel issued multiple evacuation orders for the Khan Younis area. One order told Palestinians in parts of the city to head toward Rafah. Another said to leave to other parts of Khan Younis.

Still another advised residents to go to Rafah and two areas adjacent.

“The situation in Rafah is really terrible. More people are still coming, and food and water is running out,” said Nour Ahmed, a mother of three who fled to Rafah from Gaza City earlier in the war.

—William Mauldin contributed to this article.

Chinese Consumer Prices Fall Again

By Jason Douglas

SINGAPORE—Consumer prices in China fell for the second straight month, a deepening bout of deflation that shows Beijing’s efforts to reignite faltering growth are falling short.

China’s top leaders telegraphed Friday that more support is coming for the economy, with pledges of new fiscal stimulus and supportive central-bank policy in the months ahead.

Still, the Communist Party’s ruling Politburo signaled that stimulus will be measured rather than aggressive, reinforcing expectations for steady if unspectacular growth in 2024 as the economy grapples with a drawn-out property bust and a global backdrop darkened by war and slow-downs in the U.S. and Europe.

Consumer prices in China tumbled 0.5% in November compared with a year earlier, China’s National Bureau of Statistics said Saturday, steeper than October’s 0.2% fall.

Prices charged by companies at the factory gate also fell in November at a steeper annual rate than in October, as firms slashed prices in an effort to beef up sales.

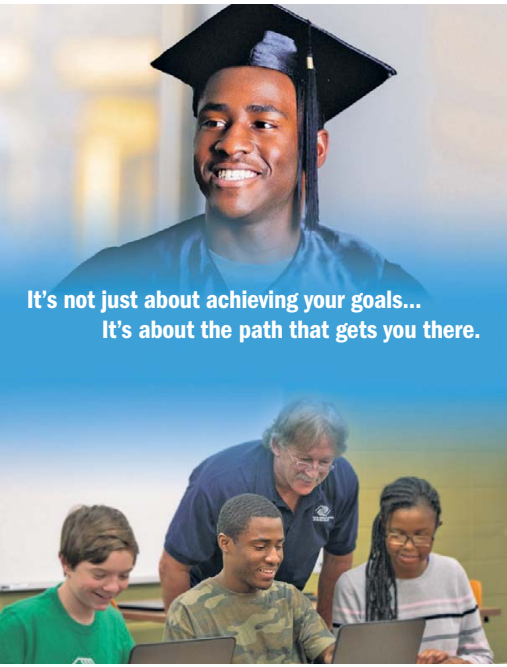
The weak inflation figures add to a run of signals suggesting that China’s economy is losing momentum again after modest interest-rate cuts and other small stimulus steps drove a pickup in growth in the third quarter.

Exports rose by only 0.5% in November after several months of decline, while surveys pointed to a contraction in activity at factories and in services. New-home sales continued to drop in October. The data point to a weak close to the year, economists say.

China’s economy had been expected to grow strongly in 2023 as the dismantling of Covid-19 controls powered a potent consumer-led rebound. Instead, consumers mostly socked away savings as a deep property slump dragged on. Slowing spending overseas sapped demand for China’s exports.

The deflation China is experiencing reflects both weak consumer spending and bloated supply, as factories hack at prices in an effort to unload bulging inventories.

The prospect of a flood of Chinese cars, solar panels and other industrial goods hitting global markets in the years ahead has stoked new trade tensions with the U.S. and European Union.



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Detentions In Gaza Spur Outcry

Continued from Page One hands placed on their heads or behind their backs. Piles of weapons are visible in some of the photos.

“The pictures you saw are sourced from two areas, Shujaia and Jabalia,” Israeli military spokesman Daniel Hagari said on Sunday, referring to Hamas strongholds where Israeli forces were operating. He said the pictures weren’t distributed by the Israeli military.

The Israeli military wouldn’t provide the photos to The Wall Street Journal.

The men pictured were searched for weapons, and those deemed to be suspected militants were referred for further questioning in Israel, while men determined to be noncombatants were released, Hagari said.

An Israeli security official said some of the men have emerged from tunnels and surrendered with their hands up. Others are being detained as Israel sweeps through Shujaia and Jabalia, densely packed neighborhoods, in search of militants, who wear civilian clothing and hide in United Nations schools and shelters among civilians, the official said. The official also said the military has told civilians to evacuate the area and

works on the assumption that those remaining could be suspected militants.

Several Gaza residents described family members being detained as part of broad detentions against any military-age male in the area but also said many had been released about a day later.

“Individuals who are found not to be taking part in terrorist activities are released,” the Israeli military said.

Israel and Hamas continued to engage in fierce fighting over the weekend. Israel on Sunday said its artillery corps was operating for the first time inside the Gaza Strip.

Amos Yadlin, former head of Israeli military intelligence, said that “a modern war is not only a war with guns and airplanes. It’s also a psychological war.” For Gazans, the photos of the Palestinian prisoners are meant to counter the narrative from Hamas that it is successfully fighting against Israel. To the Israeli public, the photos send the message that Israel is winning, he said.

Hamas, which took hundreds of Israeli hostages during its Oct. 7 attacks on southern Israel, has released images of those it captured, including some who were dead. The Israeli government asked the media to refrain from publishing videos of hostages, saying it was psychological warfare. The images symbolize one

of the central dilemmas Israel faces in the war: Moves to satisfy domestic public pressure to respond forcefully to the Oct. 7 attacks may draw ever-harsher international condemnation and alienate allies.

The photos of the detained Palestinian men send a message to Hamas that they can surrender without being killed, retired Israeli Col. Miri Eisin said. She said stripping detainees is normal procedure given Hamas’s history of deploying suicide bombs. “We are in a war, and in this war they [Hamas] have extensively used booby traps,” Eisin said.

A resident of Mashrou’ Beit Lahia in northern Gaza said her husband, brother and other relatives, all civilians, were taken during one of the mass detentions.

She said Israeli soldiers called through a megaphone for residents of the area to come out of their homes waving white flags around 7 a.m. on Thursday. Lacking a white flag, she and her family waved tissues, she said.

“They asked women to step to the side and took all the men,” she said, adding that some teenagers were also detained. The women were allowed to return to their homes or schools, where many Gazans have taken shelter during the war. Hours later, she learned from men who re-

turned that they were taken, stripped to their underwear, while some were blindfolded, before being questioned.

Human-rights organizations have criticized Israel over the photos of the detentions, calling them an act of public humiliation. The Geneva Conventions, which govern the conduct of war, forbid “outrages upon personal dignity” of people detained during conflict.

“These pictures are another indication of how they are disobeying the laws of war and basic principles of humanity in an attempt to show to the Israeli public and others that they are being ‘tough,’” said Sari Bashi, an Israeli human-rights activist and programs director at Human Rights Watch. “This is exactly why the laws of war forbid you from humiliating detainees.”

Anthony Dworkin, war crimes researcher with the European Council on Foreign Relations, said humiliating and degrading treatment isn’t a violation of international humanitarian law if “there is legitimate justification,” such as a security concern.

The Israeli military on Sunday said it was abiding by international law.

—Abeer Ayyoub, Anat Peled, Stephen Kalin, Jared Malsin and Dov Lieber contributed to this article.

Watch a Video



Scan this code to watch a video on life inside Gaza through the lens of Snapchat.

WORLD NEWS

Milei Sworn In as Argentina’s President

Foreign dignitaries, including Zelensky, and adoring fans attend inauguration

By SAMANTHA PEARSON AND SILVINA FRYDLEWSKY

BUENOS AIRES—Javier Milei was sworn in as Argentina’s president Sunday, telling the nation to brace for massive public spending cuts as he tries to dig it out of its worst economic crisis in a generation.

Coming at a time of increased geopolitical turmoil, the inauguration also served as a relatively neutral meeting ground for foreign dignitaries, including Ukrainian President Volodymyr Zelensky on his first trip to Latin America since the Russian invasion.

Zelensky has sought to reach out to countries beyond Ukraine’s traditional partners in North America and Europe as Kyiv tries to build pressure on Russia to end its war.

“Freedom is what unites us, Ukraine and Argentina. We truly cherish it, protect it, and stand ready to strengthen it together,” Zelensky wrote on X, formerly known as Twitter, after meeting with Milei. He said he had also used the trip to meet with the presidents of Paraguay, Uru-

guay and Ecuador.

The Russian ambassador to Buenos Aires, Dmitry Feoktistov, also attended Milei’s inauguration, according to the presidential palace.

But for many Argentines, the battle they most cared about on Sunday was the one the country has been fighting with itself for decades to overcome devastating rates of inflation.

Milei, an eccentric economics professor-turned-TV pundit, recognizable for his sideburns and wild bouffant hair, swept to victory last month after promising to demolish the political establishment and overhaul the economy with “shock” fiscal therapy.

“Hi everyone!” Milei said with a wide grin, beginning his presidential speech from the steps of Congress on Sunday, breaking with tradition by turning his back to the legislature. “There is an overwhelming desire for change in Argentina and now there is no way back,” said the spectacled 53-year-old, confirming a plan to cut public spending by 15% of gross domestic product.

“I prefer to tell you the uncomfortable truth, rather than a comfortable lie,” he said, as crowds cheered “freedom.”

Thousands of adoring supporters gathered in downtown Buenos Aires on Sunday, some having traveled for days



Supporters of Javier Milei during the presidential inauguration ceremony on Sunday.

across the country to welcome a president they hope will bring radical change to a nation they say has nothing left to lose.

“Milei has to be strong. Either we fix the economy once and for all, or we don’t fix it,” said Margarita Matoli, 72.

Milei blamed his left-leaning predecessors for bankrupting Argentina, telling his supporters that he had no choice but to bring in tough measures in an inflation-rid-

dled nation where two in five people now live in poverty.

“There is no alternative to an adjustment, a fiscal shock,” Milei said. “It will impact employment, the most needy and it’s true: there will be stagflation. But it will not be very different to the last 12 years and this is the last difficult pill we need to swallow before we can begin the reconstruction of Argentina,” he said.

Milei had made wild promises during his election cam-

has sided with more mainstream economic advisers from a previous center-right government.

The presidential palace said Sunday it planned to announce nine ministries early Monday, after Milei promised just eight as part of his plans to slash public spending.

After vowing to cut ties with China, Argentina’s second-largest trade partner, Milei has adopted a cordial stance with Beijing.

Milei has also shown signs of shifting his stance on the environment. He recently decided to send Marcia Levaggi, an Argentine diplomat with years of experience on climate issues, to represent his government at the United Nations climate summit in Dubai, Argentina’s La Nación newspaper reported Friday.

Some supporters say they are disappointed that Milei is already conforming to the status quo after he was elected precisely for promising a break with the political establishment.

But in a democracy, where the president governs along with Congress, this more moderate stance was to be expected, Lucio Mastroiani, a 22-year-old student and avid supporter said Sunday. “I’m not disappointed,” he said. “There is a climate of change in the country.”

Two Diplomats Push for a Climate Deal

Future of Fossil Fuels At Stake in COP28 Talks

By SHA HUA

DUBAI—A crucial round of U.S.-China climate talks was over, but John Kerry wasn’t done. As the Chinese motorcade left for the DoubleTree hotel near the airport, the chief U.S. climate negotiator jumped into a car with his Chinese counterpart.

The two men go way back and stayed in touch even when relations between the two countries were frozen. Now they are driving final negotiations at the United Nations climate conference in Dubai.

After 25 years on the diplomatic stage, this will probably be their final performance together. Xie Zhenhua, who suffered a stroke earlier this year, is retiring. Kerry, who turns 80 in the final days of the climate talks, says he isn’t retiring, but he would lose his longtime partner.

With negotiations deadlocked, the two men are trying to forge a compromise among nearly 200 countries to reduce fossil fuels. Some, including European nations, are demanding language about phasing out fossil fuels, while Saudi Arabia and others are blocking a deal.

Kerry and Xie are pitching a third way, which is a variation of a U.S.-China agreement reached earlier this year. That deal focused on boosting renewable energy “so as to accelerate the substitution for coal, oil and gas generation.”



John Kerry, left, and his Chinese counterpart, Xie Zhenhua.

Beyond this year’s conference, the two men are hoping that the relationship they forged over climate change can withstand the ups and downs of U.S.-China diplomacy.

The world’s two largest greenhouse-gas emitters approach the situation differently. China places itself among the developing countries that blame climate change on decades of emissions by wealthy countries.

The U.S. has stepped up its efforts to address climate change under the Biden administration, in part to counter China’s dominance in green technology. Climate change remains a thorny political issue, hurting the U.S.’s credibility in negotiations, as does its position as one of the world’s big-

gest fossil-fuel producers.

At the current climate conference, both countries have pushed for a deal to cut emissions of methane, a potent greenhouse gas. They both supported efforts to triple renewable energy by 2030, and both agreed to make their next climate goals economy-wide and include all greenhouse gases by 2035.

A previous agreement hammered out by Kerry and Xie laid the groundwork for the landmark climate accord adopted in Paris in 2015.

A compromise earlier this year by the U.S. and China could help close the rift between developed and developing countries.

At the sprawling grounds of this year’s climate conference,

By MATTHEW DALTON AND STACY MEICHTRY

DUBAI—Fossil-fuel producers are fighting an existential battle here in the final stretch of the United Nations climate conference against countries that want to end the burning of coal, oil and natural gas.

Europe and a handful of nations on the front lines of climate change are demanding that a final agreement at the conference, known as COP28, include a phaseout of fossil fuels. One option in a draft of the agreement circulating on Friday evening calls for “a phaseout of fossil fuels in line with best available science.”

“I want COP28 to mark the beginning of the end for fossil fuels,” Wopke Hoekstra, the European Union’s climate commissioner, said Friday.

They are facing off against big oil producers led by Saudi Arabia, and backed by Western oil and gas companies that have sent dozens of executives to the conference to argue against a phaseout.

Some want no mention of reducing fossil-fuel burning in the conclusions of the conference, set to end Tuesday. Others are calling for phasing out fossil-fuel burning in power plants and other facilities that lack equipment for capturing and storing the resulting carbon-dioxide emissions, according to the draft text.

The Organization of the Pe-

troleum Exporting Countries sent a letter to its members this month rallying them to fight the fossil fuel phaseout at the conference.

“It seems that the undue and disproportionate pressure against fossil fuels may reach a tipping point with irreversible consequences,” according to the letter from OPEC’s Secretary-General Haitham al-Ghais. “It would be unacceptable that politically motivated campaigns put our people’s prosperity and future at risk.”

“It is quite a disgusting thing that OPEC countries are pushing against getting the bar where it has to be,” said Spanish Deputy Prime Minister Teresa Ribera on Saturday.

An agreement targeting fossil fuels would send a broad signal to the global economy that governments are intent on sharply cutting fossil-fuel consumption. It would still need to be enshrined in national policies and then implemented, an immensely complicated and politically fraught process.

The negotiations have spurred the fossil-fuel industry to assert itself at U.N. climate talks like never before.

Energy executives at COP28, such as Exxon Mobil CEO Darren Woods, have cast themselves as economic realists, warning that sharp reductions in hydrocarbons would wreak havoc on a global economy that is hardwired with the fuels.

PHILIPPINES

China Coast Guard Targets Boats

Chinese coast-guard ships blasted water cannons at Philippine boats at least eight times near a contested atoll in the South China Sea, damaging equipment aboard one of them, as escalating tensions between the countries lead to more close encounters in the waters.

The incident occurred Saturday near Scarborough Shoal, which China seized from the Philippines in 2012. As three vessels from the Philippine government’s fisheries agency drew close—between 1.4 and 1.9 nautical miles from Scarborough Shoal—Chinese coast-guard ships sprayed water cannons at them, the Philippines said.

Boats from China’s maritime militia also used what the Philippines believes is a long-range acoustic device, blasting sounds that temporarily incapacitated some Filipino crew, it said. Chinese forces also deployed inflatable boats to drive away Filipino fishermen and erected a buoy barrier to block the entrance to Scarborough Shoal, the Philippines said.

—Niharika Mandhana

CANADA

Russian Airline Sues Over Sanctions

A giant Russian cargo plane is facing another cold Canadian winter stuck in Toronto. A court battle could determine its fate.

Russian airline Volga-Dnepr has sued the Canadian government, asking a federal court to declare that Canada’s sanctions against it are invalid. The court could determine what happens to the airline’s massive Antonov An-124 cargo plane, which has been stuck in Toronto since Canada closed its airspace to Russian planes in February 2022.

The Canadian government sanctioned Volga-Dnepr in April and ordered the plane be seized in June.

In its lawsuit, filed last month, Volga argued that it was wrongly put on the sanctions list because, contrary to Canada’s assertions, it isn’t involved in Russia’s invasion of Ukraine and didn’t provide any aviation service to Wagner Group. Volga-Dnepr didn’t respond to requests to comment, while Canada’s foreign affairs ministry declined to comment.

—Vipal Monga

WORLD WATCH



PEACEFUL: Believers celebrated the arrival of the Bethlehem flame of peace at Saint Sophia Cathedral in Kyiv, Ukraine, on Sunday.

FROM PAGE ONE

# Hamas Leader’s Gamble

*Continued from Page One*  
the release of thousands of Palestinian prisoners and establish a permanent cease-fire. He's relying on his judgment of Israeli society after two decades studying it in jail, learning Hebrew, watching the local news and getting inside the Israeli psyche.

But first, Hamas has to survive Israel's powerful and deadly counterattack. If Hamas has miscalculated, Sinwar could be overseeing the destruction in Gaza of the U.S.-designated terrorist group—and lose his own life.

The gamble has already come with huge costs, including devastation across huge swaths of Gaza and the deaths of around 17,700 Palestinians. Israel says its plan is to destroy Hamas's leadership in the strip, including Sinwar, and prevent the group from ever again threatening Israeli communities after the Oct. 7 attacks killed 1,200 Israelis, most of them civilians. Still, after negotiating the release of women and children during a temporary cease-fire that collapsed this month, the Israeli government faces growing pressure to work with Sinwar for the freedom of the remaining hostages.

“He understands that Israel will pay a heavy price,” said Bitton. “He understands this is our weak spot.”

Sinwar's playbook since becoming leader of Hamas in Gaza in 2017 has been to constantly remind Israelis they are in conflict with Palestinians, one moment engaging constructively with Israel, and the next, pursuing violent means for political ends. He has a history of hunting down Palestinian collaborators with Israel, and his approach to the hostage negotiations was viewed by some Israelis as an attempt at psychological warfare.

During the recent hostage negotiations, he cut off communications for days to put pressure on Israel to agree to a pause that would give Hamas time to regroup, according to Egyptian mediators. When the hostages were released, they were freed in batches each day, rather than in one go, creating a daily sense of anxiety in Israeli society.

Sinwar, who is in his early 60s, has since told Egyptian negotiators that the war won't be over quickly, the way other rounds of violence in Gaza were, and could last for weeks, indicating he wants to squeeze as much as he can from Israel for the remaining captives.

At the moment, Sinwar is the main decision maker in Hamas as the most senior political leader in Gaza, who is working closely with Hamas's military wing. The head of Hamas's political bureau, Ismail Haniyeh, is currently based in Doha, and his deputy, Saleh Arouri is in Beirut. While Hamas's leadership in normal times makes decisions based on consensus, Israel believes Sinwar and Hamas militants around him in Gaza are more narrowly directing the war.

Spokespeople for Hamas didn't respond to requests for comment on Sinwar and the group's strategy.

Following the breakdown of the recent cease-fire, Hamas said that the militant group



FROM TOP: AHMED DEEB FOR THE WALL STREET JOURNAL; WEST ASIA NEWS AGENCY/REUTERS



Above, Yahya Sinwar, leader of Hamas in the Gaza Strip, in 2021; Hamas leader Ismail Haniyeh, center, and deputy chief Saleh Arouri, left, met with Iran's Supreme Leader Ayatollah Ali Khamenei in Tehran in June.

Israeli security authorities, Koubi said.

As early as 1989, Sinwar told his interrogator he was planning to establish units that would conduct raids into Israel to kill and capture people, Koubi said.

Sinwar was also involved in the abduction and murder of two Israeli soldiers, according to the Israeli military. He was given multiple life sentences and spent 22 years in jail.

Hamas was in its infancy when Sinwar was jailed. It had evolved in Gaza from the Egyptian Islamist and social movement, the Muslim Brotherhood. In the year he was arrested, Hamas issued a charter of principles that included a goal of destroying Israel.

At the end of the Palestinian uprising in 2005, Sinwar was interviewed by an Israeli journalist inside prison. The leader told the journalist that Hamas would be open to a long-term cease-fire with Israelis that he said could stabilize the region, but would never accept Israel as a state. He said at that time that he understood Hamas could never defeat Israel militarily.

Hamas, he said, is stubborn. “Just as we made the lives of the Jews bitter during the confrontation,” he said in Hebrew, referring to the intifada, during the interview. “We will make their lives difficult in dialogue about the cease-fire.”

Hamas operatives in 2006 surprised Israeli soldiers at a command post on the border of the Gaza Strip, kidnapping 19-year-old Gilad Shalit. One of the people responsible for orchestrating the kidnapping, according to Israeli officials, was Sinwar's younger brother,

Wall Street Journal.

He blindfolded the Palestinian, called Ramsi, and drove him to an area with a freshly dug grave where Sinwar strangled him with a scarf known as a keffiyeh, a symbol of the Palestinian cause.

“After strangling him, I wrapped him in a white shroud and closed the grave,” Sinwar said in his confession. “I was sure that Ramsi knew he deserved to die for what he did.” Sinwar described three similar killings of Palestinians he accused of collaboration, according to the transcript of the confession.

In another incident, Sinwar said he believed the brother of a Hamas operative was collaborating with Israelis, according to Michael Koubi, who was one of those who first interrogated Sinwar over more than 100 hours for Israel's internal security service. Sinwar said he asked the Hamas operative to invite his brother to a meeting, and they put him in a grave and buried him alive, Koubi said.

Koubi said that in a separate interrogation, the Hamas leader confessed to killing 12 Palestinians before being arrested. None of the men Sinwar killed were working with

has only hostages who are soldiers and “civilians serving in the army,” and that it won't release more of them until Israel ends its war. The group has said it is willing to free all the hostages in Gaza for all the Palestinian prisoners in Israeli jails, estimated at more than 7,000 people. Israel says Hamas still holds both civilians and soldiers.

Israel's strategy for getting the remaining hostages out focuses on making battlefield gains to force Hamas to release the captives. Israeli officials' theory is Hamas was more willing to negotiate on the release of women and children because Israel had invaded Gaza and began to pressure the group militarily.

Israeli forces are currently fighting Hamas in Khan Younis, where Sinwar grew up, and this week surrounded his house, a largely symbolic move as he is believed to be hiding elsewhere underground. Israel has vowed to kill Sinwar and all of Hamas's top leadership, but senior officials have sent mixed messages over whether the government would be open to allowing lower-level Hamas fighters out of the strip.

One of the reasons Hamas mounted the Oct. 7 attacks was to kidnap soldiers to trade for Palestinian prisoners, according to Palestinian political analysts.

When Sinwar was freed in the 2011 swap, he thought Hamas should have pushed harder for Israel to release Palestinians responsible for bombings that killed Israelis and who were serving multiple life sentences, said people involved. As he was freed, Sinwar told those who hadn't made the cut he would work to get them free, these people said.

“It's a personal thing,” said

Mkhaimer Abusada, a Palestinian who before the war taught political science at Al Azhar University in Gaza. “He doesn't feel comfortable leaving jail in 2011 and leaving some of his comrades inside.”

Should negotiations restart, Gershon Baskin, an Israeli peace activist who helped broker the 2011 agreement, said Israel would be unlikely to yield to Sinwar's demand and give up Palestinians considered the most dangerous. Sinwar, waging war against Israel more than a decade after release, epitomizes why freeing prisoners who are serving life sentences is a risk for Israelis, he said.

“He is the primary reason why they wouldn't agree to it,” said Baskin. “They made that mistake once.”

## Hunting informants

Sinwar has spent more years as a member of Hamas inside prison than outside of it.

Before serving time, Sinwar was close to the founder of Hamas, Sheikh Ahmed Yassin, who himself had been released in 1985 in a swap involving more than 1,000 prisoners for three Israeli soldiers.

Sinwar worked with his mentor to hunt Palestinian informants suspected of working with Israel, according to Israeli officials. The internal security police set up by Sinwar was a forerunner of Hamas's military wing, Izz ad-Din al-Qassam Brigades, these Israeli officials said.

In 1988, Israel detained him. During a series of interrogations, Sinwar explained how he rounded up a suspected Palestinian collaborator with Israel while the man was in bed with his wife, according to a transcript of his confession reviewed by The



Sinwar, center, after his release in the exchange in 2011.

Mohammed.

Talks about freeing Shalit dragged on for years.

In prison, Sinwar and his fellow prisoners spent most of their lives in cells of three to eight people, getting out for two sessions a day in the yard to walk around for about an hour and half. They taught each other English and Hebrew and read history and the Quran, Bitton said.

During negotiations between Israel and Hamas over the release of Shalit, Sinwar was influential in pushing for the freedom of Palestinians who were jailed for murdering Israelis.

He wanted to release those who were involved in bombings during the second intifada that had killed large numbers of Israelis, such as at a hotel on a Jewish holiday that initially killed 19 and became known as the “Passover Massacre,” according to Bitton, Baskin and an Egyptian official, who helped broker the deal. Sinwar was so maximalist in his demands, Israel put him in solitary confinement to curtail his influence within Hamas, Bitton and the Egyptian official said.

Israel eventually released some Palestinians who had committed murders and were considered dangerous, including Sinwar himself, who only just made the cut to get out, because Israelis had reservations about releasing him, Baskin said.

“Releasing him was the worst mistake in Israel's history,” said Koubi, his interrogator while in jail.

A week after release in 2011, Sinwar told the Safa Press, a Palestinian news agency, that the best option for freeing prisoners left inside was to kidnap more Israeli soldiers.

Years later, Sinwar was voted as leader of Hamas in Gaza by its members. Other Hamas leaders assured members that his election as Gaza chief wouldn't drag the group into new rounds of internal and external violence, according to Hamas officials.

Sinwar again said publicly Hamas was committed to the release of every Palestinian prisoner in Israeli jails. He soon sought to reconcile Hamas with the Palestinian faction that governs the West Bank, warning he would “break the neck” of anyone who stood in the way. Those talks failed to progress.

In 2021, Sinwar won a second term as Hamas leader in Gaza, again vowing to liberate Palestinian prisoners. In May that year, Hamas fired rockets on Jerusalem helping spark an 11-day conflict.

The death and destruction wrought in the conflict created a sense among the Israeli security establishment that Hamas was deterred and that Sinwar wouldn't attempt to attack because he was more focused on building the strip economically.

Oct. 7 showed that was incorrect. While the initial lightning attack proved a success

for Hamas, Sinwar made two mistakes, according to Amos Gilead, a former Israeli senior defense official. He thought that the attack would start a regional war involving Iran and Hezbollah, and that Israel wouldn't invade Gaza to kill the Hamas leadership, Gilead said. “Now his strategy is to gain time,” Gilead added. “But we don't have any choice other than to destroy him.”

# Meltdowns Are Getting Scarce

*Continued from Page One*  
shouted. “Holy cow!”

It was a textbook jet car meltdown, once a common spectacle at racetracks and drag strips. The fiery craft has become endangered as venues close, spare parts grow scarce and practitioners dwindle.

“I think realistically there's going to be a few people that keep it alive,” said Josh Baumgartner, Magdatude's owner. “We're hoping to be among them.”

A former Navy mechanic named Doug Rose helped to popularize meltdowns after he

created a dragster using a jet engine from a scrapyard. According to his widow, Jeanne, he conducted his first fire show around 1968 with a car he named the Green Mamba. Over the years, he honed his craft until he could torch a half-dozen vehicles at once. “Doug's objective was to please the people,” she said.

Other daredevils built similar cars, often using the same engine—the Westinghouse J46, manufactured for a short-lived Navy jet fighter in the 1950s. The engines were easy to find secondhand, and simple enough that a mechanic didn't need aviation expertise to keep them running.

The J46 came with an afterburner, which increases thrust by igniting extra fuel and, when modified, can produce blowtorch-like exhaust. Paul Christiansen, a former Army helicopter pilot who

wrote a book about the engines, said public-works departments once attached them to vehicles so they could melt ice on bridges.

Missouri mechanic Oric Arnold and his wife, Bonnie, built Magdatude with a “zero hour” J46, meaning it hadn't been used before it came out of its crate. They named it in honor of Oric's nonagenarian grandmother, Magdalena, who had a particularly feisty attitude. Baumgartner, a monster-truck driver from Grove City, Minn., bought the vehicle in 2020 after Oric Arnold died. Since then, Baumgartner has seen the ranks of his fellow meltdown artists decline.

Jeff Atamian, who lives in California, has performed the stunts for nearly 30 years with his jet-powered dragster, the Beast. Modern engines, he said, simply don't have enough firepower to put on a

good show. “It's just like waving a candle at the car,” he said. “It'll burn the paint off, but that's about it.”

Unfortunately, he said, heightened air-quality enforcement in his home state has made meltdowns too difficult to pursue there.

Another Californian, show promoter Steve Quercio, said he recently retired a jet-equipped firetruck called Raging Inferno in part because paying for a fire marshal's oversight was approaching the roughly \$3,500 he charged for an exhibition. He said other drivers are being challenged by a diminishing supply of vintage jet engines and a scarcity of spare parts.

“You just can't go to NAPA Auto Parts and buy something for this,” he said.

Some Midwestern fire marshals won't allow meltdowns, Baumgartner said. The bigger

problem is that racetracks and drag strips are closing all over the country. His Rockford Speedway appearance in September would be his last at that venue. The track, facing rising property taxes and the need for expensive upgrades, will be demolished next year to make way for a commercial development.

Before the speedway's “Night of Thrills” began, fans gathered around Baumgartner's Magdatude for a close-up look, peering in at the red button labeled “Burner.” Some said they wanted their kids to get a glimpse of a tradition that had been part of their own childhoods.

Magdatude was the night's climactic act, following a program that included stock car races, a father-and-son motorcycle stunt team and a limousine that smashed through a burning sedan, only to be

smashed itself by a monster truck.

Thunderstorms delayed the meltdown, but when it finally began, the drenched crowd erupted in cheers. One man whirled a sweatshirt above his head as the bus became an inferno. Magdatude consumed roughly 200 gallons of fuel in five minutes, and when the flames finally stopped, the truck pattered back to its trailer for the trip home. Kayla Erickson, Baumgartner's girlfriend, had been at the controls, and she emerged from the cockpit exhilarated from the rush of putting on a blazing good show.

“I still get nervous because there's always a possibility that something could happen, but I'm like, you live one life,” she said. “This is what I enjoy doing, and if that's how I'm going to go, that's how I'm going to go.”



◀ Henry Walker, 14, who was diagnosed with ADHD when he was younger, is now a ninth-grader studying law and public safety.

“I’d enter the virtual class, turn off my camera and play video-games,” says Henry, now 14. His mom, Nicole Walker, says it was a disaster with lasting repercussions. When he returned to in-person classes in seventh grade, he struggled with the new middle-school routines. He’d do well on tests but forget to turn in homework. He was getting Cs and Ds. Having to bring his Chrome-book to every class was distracting. “I would have 14 different tabs open and be mindlessly going through them,” Henry says. His mom did what she could to keep him afloat. “I was emailing teachers, checking his grades and constantly asking how much homework he had. It felt like a second job,” says Nicolle, who runs a catering company. In eighth grade, Henry resolved to do better. He had a good circle of friends and teachers who motivated him. “I wanted to be good at everything I wasn’t supposed to be good at,” he says.

**Beyond the letter grade** The roots of boys’ problems are complex. Things that once benefited boys in school, including male teachers, recess and vocational classes, have dwindled in recent years.

The postpandemic ubiquity of technology also has contributed to boys’ problems—and parents’ frustration. “If you have the option between studying for boring chemistry and playing a video-game, who would choose the chemistry homework?” Reeves says. And with Chromebooks in tow throughout the school day, boys are accessing YouTube and games during class. Girls have their share of tech problems, too. But the desire for likes and connection that makes social media so appealing—and at times harmful—can benefit girls as they pursue positive feedback from teachers and peers, psychologists say. Parents, tutors and education experts say boys need extra encouragement to understand the payoff of working hard in school.

For Henry Walker, choosing a vocational high school enabled him to see a career path. He’s now a ninth-grader studying law and public safety. He brought up his grades in his final year of middle school, ending eighth grade in honors classes with As and Bs. His mom remains vigilant. “I feel there’s always that thing that could trip him up,” Nicolle says. “He could get super involved in a videogame one day and forget to do his work and it could snowball.”

# Giving Struggling Boys a Boost

Parents are paying to keep their distracted and disorganized middle-schoolers from falling behind



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

Teresa Lubovich says nearly every student coming to her private tutoring center to learn personal organization skills is a boy. Starting at \$500 a month, her services don’t come cheap, but she says parents are willing to pay to jump-start their middle-school-age boys, many of whom show up unmotivated and disorganized. “Often the boys are doing the work and not turning it in, there’s no follow-through on assignments, their backpacks are a mess,” says Lubovich, whose Poulsbo, Wash.-based center serves nearly 400 local and online students. “The parents are tired of fighting about it.” Middle school has become high stakes. Students who have fallen behind by eighth grade are less likely to succeed in high school and graduate on time, teachers and education researchers say. Lubovich says the focus in recent decades on making education more equitable to girls has resulted in less attention being paid to boys. She and other education experts say boys have struggled to regain their motivation after the pandemic, problems compounded

by the omnipresent distraction of laptops and other devices at home and in the classroom. At tutoring, Lubovich has students put their phones in a basket. The buzzing of notifications on the phones can grow so loud, she sometimes puts the basket on the carpet. “There’s no way they can hold full thoughts and focus if they’re interrupted every few seconds,” she says. Lubovich’s clientele is 70% male, up from 50% before the pandemic. The parents she serves are intent on improving their sons’ study habits and boosting their confidence before they get to high school, where poor organization can have far-reaching effects on school performance and college entry. Thirteen-year-old boys and girls both have had declines in reading and math test scores since the pandemic, according to the National Assessment of Educational Progress, yet girls score higher than boys in reading. And girls are completing high school at a higher rate than boys. Girls have been surpassing boys in school since at least the 1950s, says Richard Reeves, president of the American Institute for Boys and Men, a nonpartisan, nonprofit research organization. Colleges in the past were more willing to accept male applicants in need of improvement. That has changed, and women now outnumber men on college campuses.

Some families have decided that spending on tutors, skills coaches and occupational therapists is worth it for better grades, boosted confidence and self-advocacy—even if the monthly tab runs into the thousands of dollars. Boys whose families can’t afford that risk falling through the cracks. Some educators are tackling the problem with all-boys middle schools or boy-friendly practices and free tutoring in coed schools.

**Henry’s story** Henry Walker’s struggles in school started when he was 8 years old. He was fidgety and forgetful. He was eventually diagnosed with attention-deficit hyperactivity disorder, and doctors said he was on the autism spectrum. Fidgety boys often distract other kids and get in trouble for it, which can lead parents to seek evaluations for ADHD and other disorders. Nearly 14% of kids in the U.S. between the ages of 12 and 17 have been diagnosed with ADHD, according to the Centers for Disease Control and Prevention. Boys get ADHD diagnoses more than twice as often as girls. While Henry was unfocused, he wasn’t disruptive in the classroom. He was also in the gifted and talented program. His school decided he didn’t qualify for an individualized education plan, which can include free occupational therapy and other services.



▲ Henry’s mother, Nicole Walker, hired an occupational therapist to help her son learn organization and time-management skills.

Henry’s parents poured hours into helping him, leaving his younger sister to manage school on her own. They hired a private occupational therapist to help him with organization and time-management skills, at a cost of more than \$500 a month. He made great progress until Covid happened. Henry spent sixth grade doing remote school from his home in Bloomfield, N.J.

## PERSONAL TECHNOLOGY

# Turning a Person’s ‘Delulu’ into Reality

By ANN-MARIE ALCÁNTARA

When she applied for a job at a creative agency that worked with the snack maker Mondelez, Kyra James wanted to throw in something sweet. A big fan of the company’s Sour Patch Kids, James mocked up a screenshot of a video call with some of the tart, sugar-encrusted gummies. The colorful waifs waved back at her. The Atlanta-based social-media producer says she wanted recruiters to see she already had buy-in from a key stakeholder: the Kids themselves. Some might call it guts, or say James was making her own luck. The 27-year-old calls it something different: being “delulu,” online shorthand for the word “delusional.” The term has exploded on social media to describe leaps that are riskier than what most would take in their careers, relationships and other parts of their lives. James, who is from the British Virgin Islands, says delusions are necessary sometimes. “When you come from a tiny, tiny, tiny speck on

the map,” she says, “sometimes the idea of manifesting your dreams internationally—you have to be a little delulu to believe it.” People are embracing and documenting their delulu online—as well as the catchphrase “delulu is the solulu”—as a way to challenge themselves. Delulu is taking off in the workplace. People are seeking jobs that pay more in the midst of inflation, the return of student-loan payments and the dream of owning a home. And some like James are rethinking their career paths, aiming for new industries or roles. James never got a response from the agency, but that creative spark has become a guiding light. “It certainly inspired me to see where there is room for me to flex my creativity when applying for jobs,” she says.

**‘Delulu’ is online shorthand for the word ‘delusional.’**

**Jumping tracks** Quynhthy Tran has officially been a stockbroker for about five months. A year ago, the 28-year-old was a teacher in Dallas. Tran, who graduated from college



in pandemic-plagued 2020, spent her first year teaching asynchronously to homebound students over video, as well as in the classroom. She quickly started to burn out. Two months into her third year, she decided to resign. She applied for a job at a brokerage firm. Though she had zero experience, she got an offer. There was just one catch: She had to pass three license exams. She failed the first one. When she managed to pass that, she failed the second one. “This is true delusional,” she says. “I’m trying so hard to make it into an industry that I know nothing about.” It took her five total test attempts, over about eight months, to become a stockbroker. Tran says her delulu episode gives

her more confidence. “If there’s something that I want to pursue—whether it’s like stand-up comedy or a different career transition—I feel like I’m capable of doing that.” The internet’s most-celebrated case of delulu was also the result of a career dead end. Sabrina Bahsoon, who lives in London, graduated this past June with a law degree—and zero passion for it. Instead, she applied to various fashion and marketing internships. On a whim, the 23-year-old began filming TikToks in the London Underground, with wind blowing in her hair as she lip-synced to the likes of Nicki Minaj and Tate McRae. The videos went viral and earned her the nickname “Tube Girl.” Soon, she was attending fashion weeks

across Europe, and even hit the catwalk for the makeup brand MAC. “Staying delusional is a way of just not letting yourself get into that negative mindset of ‘You can’t do this;’ ” she says. **‘Everyone should be delulu’** Tasha Mwafulirwa was studying social anthropology and social policy at her university in Scotland. The 24-year-old wasn’t feeling it. She decided to give coding a try. “Some people told me that you have to go to school to learn how to code, you can’t just learn in a boot camp, and I was like, ‘I’m going to try anyway, and I’m going to apply for jobs that I’m not qualified for;’ ” Mwafulirwa says. She learned the skills necessary in three months and started applying for developer jobs with only those classes as her experience. She started a job in June 2022, and now leads a section of the engineering team. Deja White took her own delulu dreams on the road. While holding down a full-time remote job, the 28-year-old left the confines of Atlanta to wander Central and South America. For five months, she bopped around, from Mexico to Colombia. After returning to the U.S., she embarked on another journey into the unknown: She started an online pilot program to coach people on their careers. It’s nothing like her previous roles as a content manager and marketing consultant. “Embracing something like ‘Being delulu is the solulu’ is a good way to wake you up a little bit,” White says, who now lives in Tulsa, Okla. She recently secured her first client.

PERSONAL JOURNAL.

# For Some, It’s a ‘Delicate Dance’

American Jews are grappling with questions about safety and public displays of their identity



TURNING  
POINTS  
CLARE  
ANSBERRY

Leya Kaufman, a sales and marketing executive in the fashion industry, recently decided not to wear her Star of David necklace on the New York subway. A friend told her she needed to be careful. Kaufman continues to wear her Star of David ring, but turns the star around so it’s not visible until she gets to work. Since the Oct. 7 Hamas attacks on Israel and rise in antisemitic threats worldwide, American Jews are grappling with daily questions about their safety and public displays of their identity. Anti-Israel protests on college campuses, bomb threats and other signs of growing aggression toward Jews have sparked community response in the form of prayer, counterprotest and a reaffirmation of faith, Jewish leaders say. Jews across the spectrum of beliefs are assessing how much of their identity they’re willing to show and what to keep private.

The war has given some Jews new resolve to show their faith, wearing head coverings or Stars of David for the first time, while others are cutting back their Hanukkah displays. In the month following Oct. 7, there were 832 antisemitic incidents in the U.S., up from the 200 incidents reported in the same period a year ago, according to the Anti-Defamation League. The Federal Bureau of Investigation has seen a rise in threats against Jews as well as Muslims in the U.S. since the Hamas attack, according to FBI Director Christopher Wray. Three Palestinian students were shot in Vermont last month and a 6-year-old Muslim boy was stabbed to death in the Chicago area in October. The Council on American-Islamic Relations said it received 774 complaints between Oct. 7 and Oct. 24, roughly triple what was recorded over about two weeks, on average, last year.

A recent poll by the Jewish Federations of North America found that Jews were twice as likely to say they worry “very much” about their personal safety compared with the general public since the Hamas attack. Poll respondents who said they wore distinctive Jewish items, such as the small skullcap-like head covering often called a kippah, were twice as likely to say they felt worried “all the time” relative to Jews who didn’t wear them. Eric Fingerhut, chief executive of Jewish Federations of North America, says people feel a need to express their Jewish identities, but also are concerned about safety.



▲ **Leya Kaufman, above, wore her Star of David necklace on the New York subway until a friend raised concern about safety. Dana Gitell will place the family menorah, right, in her window for Hanukkah. She recently bought a Star of David ring from an Israeli artisan.**

Fingerhut says he expects more menorahs in windows this Hanukkah, which started Thursday, calling this “a moment where people will want to show light and be visible.” Kaufman, in suburban New York, says her grandfather survived the Holocaust and that it’s important for her to place a lit menorah in her front window. But her front lawn will no longer display the inflatable Hanukkah dinosaur, a giant dreidel and blowup menorah that she put out last year. “We are doing a delicate dance, struggling with how to stay true to who we are without becoming a target for hate,” she says.

**Outward displays**  
At Alef Bet Jewelry, sales of necklaces bearing the Star of David have risen strongly since Oct. 7,



says Alissa Haroush, vice president of the maker and seller of Judaica jewelry. “We have never seen anything like this,” says Haroush, who is working weekends trying to keep up with orders from customers. She says customers are frequently telling her that they’ve never worn or wanted a star necklace until the past few weeks. Dana Gitell, a mother of two and director of marketing for a nonprofit Jewish senior care organization in the greater Boston area, recently bought a Star of David ring from an Israeli artisan she discovered on Etsy. “I felt the urge to wear a Jewish star,” she says. Sharon Brand lives in Montreal where there have been several antisemitic attacks, including a Molotov cocktail being thrown at a Jewish community center last month and shots fired at the entrances of

► **Rabbi Yael Buechler’s sons, ages 5 and 7, decorate their home for Hanukkah, which started Thursday. ‘We have to find joyful moments even in darkness,’ she says.**

two Jewish schools. Brand consulted her rabbi and asked for permission to put a mezuza, a rolled scroll with Torah verses, on the inside of her door frame, rather than outside as is tradition. She lives alone and didn’t want to tip off anyone delivering food or packages that she was Jewish. The rabbi, she says, gave his blessing and reassurance. “It’s scary to have to hide your identity,” says Brand, who owns a social-media brand agency. Rabbi Yael Buechler, a New York mother of two young boys, says her followers are mixed, with some saying they are pulling back their Hanukkah decorations so as



CLOCKWISE FROM TOP: JOE BURBANK/TINS/ZUMA PRESS; DANA GITELL; RABBI Yael BUECHLER; LEYA KAUFMAN

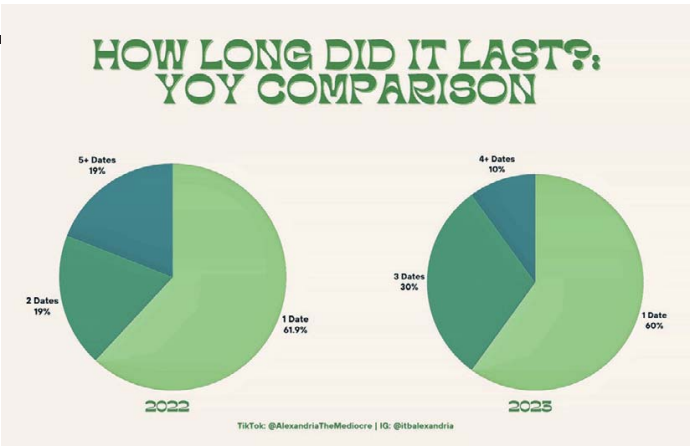
## Year-End Wrap-Up of Dating Finds Online Love

By SARA ASHLEY O'BRIEN

**“I AM SO EXCITED** to finally do this trend, ya’ll,” Jada Toledo, 28, said in a recent TikTok video. “Let’s get into the s—show that is my dating life.” Using notes she’d taken after each date this year, Toledo walked her followers through a presentation about her romantic history. It featured pie charts that broke down where she and her suitors met (mostly through Hinge), their occupations (tech came out on top) and their astrological signs (“Y’all know I’m an astrology girlie”). “I have biases against some of the sun signs,” said Toledo, an Aquarius who lives in New Jersey and works in finance. “I used to not like Pisces at all.” Yet this year, the Pisces man she met was among her best dates. It’s “Dating Wrapped” season, where “quantified self” meets the culture of year-end wrap-ups. Singles are gleaning insights from their year

**‘So many of us are dating, and it’s honestly depressing sometimes.’**

of drinks, dinners, awkward small talk and ghosting, culled from notes kept over the course of 2023. They’ve done the math on everything from money spent to first kisses to the number of times they cried. And they’re posting their findings on TikTok videos garnering millions of views. Inspired by Spotify’s buzzy year-end wrap-ups, these singles are compiling their dating recaps into presentations with statistics and pie-charts illustrating date activities, how dates ended and who paid. #DatingWrapped2023 has racked up more than 13 million views to date, while #DatingWrapped has more than 100 million views. Though companies such as streamer Hulu and running-app Strava offer their users personalized year-end data, dating behavior isn’t as easily tracked. Hinge Wrapped, a tool created by Montreal-based software engineer Niko Draca in 2021, helps translate personal data that users can request from the dating app into readable charts. Or you could do the work manually, as many of those taking part in this TikTok trend have. They used records they’ve kept in Apple’s Notes app, Google Calendar, voice memos and bank statements to create their own wrap-up presentations. “Time for some spice,” said Tasha



Farsaci, 26, in a TikTok video where she shared her Dating Wrapped presentation. “How many first kisses?” The next slide featured six kiss-mark emojis. Farsaci, who lives in Los Angeles and works in marketing, said her postdate ritual in 2023 included typing out the name, age, height, job and where she met someone into her Notes app. She was already in the habit of sending voice messages to her friends after every date, recapping the highs and lows. But this year, Farsaci started recording the reviews to keep for her personal records. Zakir Siddiqui, 28, is a naturally organized person—the kind who keeps all of his appointments in Google Calendar. It was easy for him to find out how many dates he went on and how much money he spent. “I went on—I kid you not—69 f—

ing dates this year,” he said, sharing his Dating Wrapped presentation in a TikTok recently. “Am I proud of it? I don’t even know, to be quite honest with you.” The next slide showed his average spending on dates: \$81.76. “I don’t know if that’s too much or too little to be spending,” said Siddiqui, a project manager based in the San Francisco Bay Area, who said he made the calculation using bank statements. Some commenters on his videos have estimated the total he’s spent on dates this year—a number Siddiqui said he tries not to think about. Last year, TikToker Alexandria McLean went viral for her dating

wrap-up. “I went on 21 first dates. Yikes,” McLean, now 28, said in her 2022 TikTok. She put it together because she thought it would be fun to spoof Spotify Wrapped with a Dating Wrapped, using information she’d already been collecting about her dating life. “My dating life was so devastatingly tragic last year that I accidentally started a TikTok trend which led to me getting interviewed by Ryan Seacrest,” McLean said in her 2023 Dating Wrapped TikTok installment. McLean, who is based in Toronto and works in creator marketing for a broadcast company, said she posted the original video in the hopes of helping others feel less alone. “So many of us are dating, and it’s honestly depressing sometimes. I took a very comedic approach to it,” she said. Her video resonated so widely that people including comedian Amelia Dimoldenberg shared spoofs. Armed with year-over-year comparisons, McLean went on 10 dates, a 52% decrease. Fifty percent came from Hinge, 20% from Bumble, 20% in-person and one she met through TikTok. She cried over zero people this year, down from two the year prior. She is now in a relationship. “If the girl who went viral last year for her pathetic dating life found love, you can, too,” she said in the new video.

ALEXANDRIA MCLEAN

# ARTS IN REVIEW

By **MICHAEL J. LEWIS**

*Buffalo, N.Y.*

There is no good way to add to a classical temple. You either sling your addition off to one side and accept the incongruity, or else you step away and build a second building that stands aloof. Gordon Bunshaft tried the first approach with his 1962 addition to the Albright-Knox Art Gallery, and now Shohei Shigematsu has chosen the second. His new pavilion, which contains nearly 30,000 square feet of exhibition space and which opened July 20, is set so far away that you must reach it over a 300-foot serpentine bridge. All this dramatically changes the character of the institution that has now been rechristened the Buffalo AKG Art Museum.

The new gallery, the Jeffrey E. Gundlach Building, is the most visible part of a far-reaching \$230 million campaign in which the original museum building was renovated, the Bunshaft wing significantly altered, and an underground garage built in place of the unsightly parking lot that disfigured the museum's west facade. All this was designed by Mr. Shigematsu of OMA, together with Cooper Robertson.

If you were looking for someone to treat a historic building sensitively, your first choice would probably not be OMA, the self-consciously progressive firm founded by Dutch architect Rem Koolhaas. And yet Mr. Shigematsu has displayed remarkable deference to the history of the former Albright-Knox. He could hardly do otherwise, because history confronts him at every turn in Buffalo.

The museum, an intelligently planned neoclassical essay, was intended to serve as the Fine Arts Pavilion for the Pan-American Exposition of 1901 (it missed that deadline by four years). It sits in the same superb Frederick Law Olmsted-designed park in which the fair was held, where it is hemmed in by lakes to the north and east, leaving it no room to expand except to the south. When Bunshaft eventually extended it there, he did so with utmost consideration for the original building. He kept his addition as low as possible, creating a sleek black glass box, separated from its predecessor by an open-air sculpture court.

Sixty years later, Mr. Shigematsu has given us a pendant to the 1962 addition. It stands free of the original building, however, just to the northwest, where its sculptural qualities can be appreciated from all sides. Like the Bunshaft building, it is a sleek glass volume, not so much a box as a crystal. On the lower stories it is roughly square with slightly beveled corners, but at third-story level its sides abruptly cant inward, suggesting a faceted jewel. If anything,



ARCHITECTURE REVIEW

## A Museum's New Jewel

The Buffalo AKG Art Museum's addition is a sleek structure that honors the institution's history

it looks like a cubic zirconia in a white marble setting (if somewhat too big to wear).

Mr. Shigematsu's pavilion shows none of the characteristic OMA mannerisms—no spatial interpenetration, no ruptured perimeter. Instead it shows all the symmetry and discipline of a formal Beaux-Arts design. Its three-story entrance portal is outlined in strips of marble, taken from the same Vermont quarry used by Bunshaft, suggesting the ultimate abstraction of a classical portico. There is even that most despised device of the *ancien regime*, the arrangement of doors on axis known as the enfilade. In plan it shows a three-by-

three grid inscribed in a square, the cross-axes used for the display of art while the four corners are set aside for the main stair, the loading dock, the freight elevator and such.

Mr. Shigematsu promised to build a gallery of "radical transparency," which must have alarmed the curators, who look upon daylight as do vampires. To give them the blank and opaque walls they desire, he devised a double-shell construction, with an outer shell of

glass and an inner shell of solid walls for the gallery; in between is a continuous passage for the visitor, so that one is never far from the art or from the sun.

Ambitious building projects can lose their way if the client changes midway through the process. The AKG has the benefit of having had the same director since 2013, Janne Sirén, who not only drew up the program for the new gallery but also for the modifications to

the older sections that would drastically change the nature of the institution as a whole. Having spent a decade as a museum director in his native Finland, Mr. Sirén sought to bring the public-spiritedness of Finnish culture to Buffalo. He decided to make the Bunshaft wing admission-free, in

the process changing its character from an introspective cloister to something more akin to an open town square, with a new public entrance to the east, so that the museum is now permeable.

Not everyone was happy. Local preservationists did not want Bunshaft's open-air sculpture court to be roofed over, a necessary measure if the wing were to be used during the winter. The museum's solution was devious but amusingly so: An installation called "Common Sky," created by Olafur Eliasson and Sebastian Behmann, would rise from a kind of stylized tree to form a mirrored canopy that spread above the courtyard, completely enclosing it. The museum could rightly claim (if it could keep a straight face) that all it had done was commission a new work of sculpture for its sculpture court.

The AKG is something rare today—an institution that is not at war with its own past, but as proud of its architectural legacy as it is optimistic about making it relevant for the future. Its Gundlach pavilion contributes splendidly to that legacy, even in its smallest details. I keep thinking about its terrazzo floors, whose color palette subtly shifts the closer you get to ground level, gradually taking on the color of the earth itself.

*Mr. Lewis teaches architectural history at Williams and reviews architecture for the Journal.*

**The Jeffrey E. Gundlach Building, top; 'Common Sky' by Olafur Eliasson and Sebastian Behmann, right; the museum campus, below; the Gundlach Building's spiral staircase, below right**



### ART REVIEW

## An Impressive Collection in a New Context

By **PETER PLAGENS**

*Buffalo, N.Y.*

This city's location—only 65 miles on a beeline from Toronto but at a distant midpoint between New York and Cleveland—makes it a bit off the beaten track. Nevertheless, its symphony orchestra and a tripartite performing arts center (lingering criticisms of too conservative a repertoire aside) give Buffalo an outside heft in the arts. The city's most prominent cultural institution is the venerable Albright-Knox Art Gallery, the sixth-oldest public art institution in the country, founded more than 160 years ago. Following a major renovation and expansion, it reopened this summer with a new name, the Buffalo AKG Art Museum (the G here stands for museum patron Jeffrey Gundlach, a billionaire bond investor who was born in nearby Amherst, N.Y., and lives in Los Angeles).

From its start, the museum's emphasis has been on living artists, making it, in effect, the oldest contemporary art museum in the U.S. Over the past four years, the AKG acquired more than 500 works of art, and now it has the space to show them. In the brand new Gundlach Building, designed by OMA/Shohei Shigematsu with Cooper Robertson, the third floor alone boasts almost 10,000 square feet of exhibition space, including an enormous 7500-square-foot gallery with but two columns holding up the ceiling. Combined with the rehabilitated (in-

cluding a new wood floor) central neoclassical 1905 Robert and Elisabeth Wilmers Building, the AKG has plenty of room. The challenge has been filling it with art whose quality matches the architecture and—for the most part—the museum succeeds.

The AKG's big attraction is its trove of paintings by the great but megalomaniacal Abstract Expressionist painter Clyfford Still (1904-1980), who said such things as "my then immediate contemporaries . . . were impaled and their sy-cophancy exposed on the blade of my identity." The romance with the artist began in 1959 when the museum allowed him to take total control of a solo exhibition, and it

culminates now with a breathtaking display—over several spacious galleries—of more than 30 of his large, graphically emphatic flamelike (or, alternatively, torn wallpaper) compositions. Still donated them to the museum in 1964, and they're worth a trip to Buffalo by themselves.

Would that the AKG had not attempted to establish Still's contemporary relevance with an installation of artists "influenced by or in dialogue with" his work. Paintings by Georg Baselitz, Richard Diebenkorn and Joe Bradley, among others, have been installed in a double-height gallery in the Gundlach Building. Alas, the salon-style hanging and the neck-craning sightlines do these works no justice. Fortunately, the museum shows other very good Ab-



stract Expressionist paintings by Jackson Pollock and Joan Mitchell elsewhere on its premises.

Clyfford Still and his admirers among later artists are not, however, the be all and end all of the AKG. Its reach into the roots of American modernism extends all the way back to a fine 1859 Albert Bierstadt painting depicting sailors plying their trade near Capri. In 1910, the museum mounted a significant "International Exhibition of Pictorial Photography"—organized by Alfred Steiglitz's Photo-Secession organization—intended to move the medium from the exclusively documentary category to a creative art. Several of the photographs exhibited then, by such artists as Gertrude Käsebier and Edward Steichen, are on view now.

**▲ Installation view of 'Clyfford Still: A Legacy for Buffalo,' located in the new Gundlach Building**

In the surprised-to-find-it-here category, one can't do much better than the museum's "Dynamism of a Dog on a Leash" (1912), the stunning, style-defining painting by the Italian Futurist Giacomo Balla, or the forebodingly existential "Man With Dog" (1953), a small, dark snapshot-based painting by Francis Bacon. Among the more striking contemporary works are a choice assemblage-sculpture, "Tom Thumb" (1997) by Marisol, and Stanley Whitney's full-chroma 2017 abstraction, "Endless Time" (Marisol's artistic estate was bequeathed to the AKG in 2016; both she and Mr. Whitney will be the sub-

jects of retrospectives here.) Such contemporary works with a social-comment edge as "The Inverted Sink" (1985) by Robert Gober, which is just that (and bent in half to boot), and "That One," a 2018 collage by Deborah Roberts (who, in spite of operating a tad too close to Romare Bearden, is excellent), help keep the museum's collection up to date.

Not everything in a major museum's rebirth is going to be wonderful, especially when it's gobbled up so many new works of art so rapidly. Some cavils concerning it are, of course, bound to be matters of personal taste. Mine has a hard time with Nick Cave's glitzy mysteriousness (here it's "Speak Louder," 2011, several ominously draped figures, each with an oversize flat, featureless circular head). In "Dreamers' Quay" (2022)

by Lap-See Lam, the Swedish-born artist tries to tie together, in one of those requisite black-box video installations, her family's history in the Chinese restaurant business, "fantasies of the great emperors and the Qing dynasty," and "universal questions defining the immigrant experience." It is a classic case of a work of art biting off more than it can chew. Didactics and spectacle can make for an uneasy mix.

Although the AKG may take some unrewarded chances in a few contemporary cases, its successes in the others, plus the museum's significant collection of modern art, make it a required stop for cultural travelers.

*Mr. Plagens is an artist and writer in Connecticut.*

SPORTS

# Dodgers, Ohtani Have 10-Year Plan

The two-way Japanese star has a solid path toward playing in the postseason for the first time in his MLB career

When Shohei Ohtani announced that he would spend the next 10 years with the Los Angeles Dodgers, it wrapped up a free-agency campaign that ranks as the most intriguing, most secretive and most expensive in baseball history. It was also the biggest no-brainer.

For all the speculation that he might join the Toronto Blue Jays or opt for Yankee pinstripes, Ohtani's decision to become a Dodger made perfect sense for the most entertaining superstar of his generation. The \$700 million deal is the richest single contract in the history of sports and pairs baseball's most popular player with one of its glitziest teams in a media market made for publicity. In the end, it felt less like a logical outcome and more like an expensive inevitability.

He will now suit up in blue and white and stand alongside Mookie Betts, Freddie Freeman, and—if he returns as a free agent—Clayton Kershaw on a team that gives him a solid path toward playing in the postseason for the first time in his major-league career.

“Until the last day of my playing career,” Ohtani, 29, wrote in a social-media post announcing he had chosen the Dodgers. “I want to continue to strive forward not only for the Dodgers but for the baseball world.”

The Dodgers didn't win the Ohtani sweepstakes with a charm offensive designed to woo him as a free agent. Rather it was the result of a decade-long effort to position themselves as the right place for him to spend his prime years.

The Dodgers had been tracking Ohtani since he was a teenager and made their initial approach before he signed his first professional deal for the Nippon Ham Fighters as a teenager. They tried again when Ohtani crossed the Pacific and jumped to the majors, only to lose out to the Angels. (National League teams were a less attractive proposition to him in those days, because they didn't yet have the designated hitter, Ohtani's preferred role on non-



Shohei Ohtani is set to join a Los Angeles Dodgers lineup that includes Mookie Betts and Freddie Freeman.

pitching days.) But as his contract with Angels ran down and free agency approached, the Dodgers were determined not to miss out again. And this time, they were able to promise him that 10 years of work had made them baseball's most sustainably successful team. Los Angeles has been to the postseason every season since 2013 using a

formula that is the envy of just about everyone else in the sport. The Dodgers have a robust homegrown talent pipeline, and the authorization to splurge on payroll. The work to get there stems back to the 2012 acquisition of the team by the Guggenheim Group for \$2 billion, which bailed the franchise out of a dire financial situation following the expensive di-

voice of former owner Frank McCourt. Two years later, the Dodgers made a franchise-changing hire by bringing in Andrew Friedman, the team's president of baseball operations. Friedman was the general manager of the small-payroll Tampa Bay Rays prior to arriving in Los Angeles. The move came with such a culture shock that he often

mused aloud that he needed to learn the rules of baseball's luxury tax system, according to Dodgers president and CEO Stan Kasten. With Friedman in charge of the roster, the Dodgers weren't just able to outspend most of their rivals. They also managed the miracle of developing their own talent while perennially picking late in the amateur draft. Ohtani's \$700 million contract will join Betts' \$365 million extension and Freeman's \$162 million free agent deal as examples of the team's economic muscle. But at the time of Ohtani's agreement to sign with the Dodgers, the projected 40-man roster for next season also featured 21 homegrown players—an unusually high number for a team of the Dodgers' caliber. Already, the Dodgers feel like a more natural fit for Ohtani than the Angels ever did. Over his six years in Anaheim, the Angels somehow remained dysfunctional despite the golden opportunity in front of them: they already had one generational superstar in Mike Trout and Ohtani was fast turning into America's favorite player. By the time he hit free agency this winter, the disappointment around the Angels' management of his otherworldly talent made it clear he needed to move onto a bigger stage. “To the Angels fans who supported me through all the ups and downs,” Ohtani wrote in his post, “your guys' support and cheer meant the world to me.” Given the opportunity to hit the open market once again, Ohtani chose the MLB team closest in proximity to his original Angels, but furthest from their misfortunes. The Angels failed to get Ohtani and Trout to the playoffs. The Dodgers, on the other hand, don't need Ohtani to get them there, but he turns them into automatic favorites to win multiple World Series. This is the moment the Dodgers have been working toward for the past 10 seasons. Now they have the next 10 to make it count.

The WSJ Daily Crossword | Edited by Mike Shenk

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- 22 In a trance
- 25 Vatican-based
- 26 Subway in a Duke Ellington song
- 27 Rebuffed
- 31 Like ghost peppers, compared to poblanos
- 35 Silent film star Bara
- 37 Pie producer
- 38 Overcoat named for an Irish province
- 39 Top story's setting
- 40 Makes furious
- 42 Like some subscriptions and vows
- 43 Displaced from one's home
- 44 "Harry Potter and the \_\_\_\_ Hallows"
- 45 Thrown in a high arc
- 46 Garbage can, in Britain
- 50 "Okay, so I was wrong!"
- 54 Openings
- 56 Knee-slapper or rib-tickler
- 59 Road groove
- 60 Dr. of rap
- 61 Option for a H.S. dropout

TAKE IT ON THE CHIN | By Mike Shenk

Across

1 Group of players in a play

5 Chauffeur, for one

11 "\_\_\_\_ been real!"

14 Voice above tenor

15 Arabian Peninsula resident

16 Treat for a squirrel

17 Hip-hop label founded in the Bronx

19 Title for a Dominican monk

20 Failure of concentration

21 "Hush!"

23 People with power

24 Resorts with robes

28 "Crocodile \_\_\_\_" (1986 movie)

29 Pen's point

30 Hidden complication

32 Blissful areas

33 Like many Pride participants

34 Displace from one's home

36 They travel on raised tracks

37 "Golden Girls" co-star

39 Pod sphere

41 Beam over a door

42 Like hearts and diamonds

45 Sri \_\_\_\_

47 Must have

48 First mother

49 She-monster

51 "Fiddlesticks!"

52 Long of "Soul Food"

53 Hearty greeting

55 Boot out

57 Soggy spot

58 Why one might have to shave, and a hint to the circled letters

62 Direction opposite WSW

63 Tainted, say

64 Boat's backbone

65 \_\_\_\_ Moines

66 Like Russian dolls

67 Water whirl

6 Leisure activity, for short

7 "If you ask me," online

8 Word of action

9 Came to a close

10 Racy

11 Heretic

12 Soup dishes

13 Puts into words

18 Heroic act

- 44 "Harry Potter and the \_\_\_\_ Hallows"
- 45 Thrown in a high arc
- 46 Garbage can, in Britain
- 50 "Okay, so I was wrong!"
- 54 Openings
- 56 Knee-slapper or rib-tickler
- 59 Road groove
- 60 Dr. of rap
- 61 Option for a H.S. dropout

Previous Puzzle's Solution

A L E E E D A M A S T A

B E T A V E G A A R R O W

I N A R R E A R S N O T I R E

T A L L I N N C O N M A N

\_\_\_\_ V E E \_\_\_\_ T I A

T A T T E R D E T E S T S

A V I A N W A G E S I C E

C O L O M A N O R A L E I C

K I D H O N E S A E I N O

D E M A N D S G A R D E N

\_\_\_\_ I N A \_\_\_\_ F A N

Z I N G E R I N S I S T S

R O G U E A T A G A L L O P

E L L E R S I T U S O M A

N A U T H O S P A B B R

The contest answer is **VICTIMIZE**. Nine grid answers are abbreviations that can be anagrammed to make words that begin clues (SRTA/Star, ET AL/Late, MASC/Scam, AGR./Rag, COLO./Cool, HOSP./Posh, ECON./Once, ABBR./Barb, NAUT./Aunt). The first letters of the answers to those clues, in grid order, spell the contest answer.



LeBron James celebrates with teammates after the Lakers' In-Season Tournament victory.

# At 38, LeBron James Isn't Ready to Slow Down

By ROBERT O'CONNELL

*Las Vegas*  
Early in the fourth quarter Saturday night, LeBron James tripped over an opponent and rolled on the hardwood, clenching his knee. Minutes later, he was back on his feet and then off them again—gliding through the air to hammer home the dunk that put a bow on the Los Angeles Lakers' 123-109 win over the Indiana Pacers in the final of the inaugural In-Season Tournament. It was the kind of sequence fans of James's have come to expect. He's been doing things like that for so long that he is, as of this year, the oldest player in the NBA.

In November, James passed Kareem Abdul-Jabbar to become also the player with the most accumulated court time in league history. The question for the Lakers is: Can the 38-year-old carrying them through the winter possibly last until the NBA Finals in June? “Father Time, everybody said, has been undefeated,” James said last week, and smiled. “So I’m trying to give him one loss.” In the months leading up to his 21st season, James

seemed ready to throttle back. He hinted at retirement and later reneged. He spoke in vague terms about healing the aching foot that had hampered him through a Western Conference Finals sweep against the Denver Nuggets in May. He acknowledged the wisdom of Lakers coach Darvin Ham's plan to keep his minutes around or under 30 per game, saving the star turns for the stretch that mattered most. That strategy was shelved almost immediately. Two days after the Lakers' season-opening loss to the Nuggets in late October, in which James played 29 minutes, he logged 35 in a win over the Phoenix Suns. Six days after that, he was up to 42 in a victory against the Los Angeles Clippers. He has rested now and again during blowouts, but entering Saturday had played an average of 36.4 minutes in games decided by 15 points or fewer, according to Stats Perform. James's job doesn't often afford him the luxury of time off. Over the past several summers, Ham and general manager Rob Pelinka have emphasized building a roster that could lighten their leader's load through

the haul of the regular season, and James himself has tabbed center Anthony Davis as the Lakers' cornerstone. Though Davis paced the Lakers with a 41-point, 20-rebound outing in the In-Season Tournament final, the broader numbers—and James's tournament MVP award—disagree. With James on the court, the Lakers had outscored their opponents by 131 points this season before Saturday's game. With him off, they'd been outscored by 110. That 241-point disparity is the second-largest in the league. “It's easy to say, ‘Oh, just play them this many minutes,’ but if they're out there tearing it up, it's tough,” Ham conceded last week. “You don't want to take them out, and neither do they want to come out.” Late on Saturday, James was asked what his team's success in a secondary tournament might mean for its chances in the one he really cares about. He answered with an old man's perspective. “I'm definitely not looking to May and June,” James said. “That's too far. There's too many steps that need to be taken still.”

OPINION

Tariffs Are for Losers



**INSIDE VIEW**  
*By Andy Kessler*

Who said this? “To re-ally rebuild the industrial heartland of America, you need a committed national policy of tariffs, of protecting American industries.” It was J.D. Vance during his successful 2022 campaign for U.S. Senate. This thinking is dangerous and pervasive—bipartisan battiness. In reality, tariffs impose costs on all Americans to subsidize a few jobs.

Missouri Sen. Josh Hawley, also a Republican, has proposed the Raising Tariffs on Imports from China Act. All he’s missing is a colleague named Smoot to reprise the Smoot-Hawley Tariff Act and cause a market crash and depression. Mr. Hawley said in June that “in the last 20 years in the state of Missouri, we have lost 60,000 jobs to the People’s Republic of China—that number nationwide is almost four million.” No mention of the better jobs that were created. There were 130 million nonfarm payroll jobs in 2003 vs. 156 million today.

You’re going to hear a lot about tariffs this election cycle. President Trump’s tariff triplets—Steven Mnuchin, Peter Navarro and Robert Lighthizer—whispered populist gobbledygook in his ear that he was Tariff Man. Now Mr. Trump has proposed 10% tariffs on all imports. That

sounds strong but it’s actually a weakling move, especially with U.S. industrial capacity already near an all-time high. In October, the Journal ran an article by Oren Cass of American Compass titled, “Why Trump Is Right About Tariffs.” It’s filled with dim-store economic thinking, claiming that tariffs are for raising government revenue and that our service economy is about “cutting hair” and “serving fast food.” Mr. Cass completely ignores that phones, medical equipment and other imports are often designed in the U.S. Sure, they are assembled overseas, but their value, usually software, is created here. Should we put tariffs on search engines and social networks? Of course not. China blocks ours to force its citizens to use inferior products. Tariffs denote weakness, not strength.

With tariffs, you get false price signals and less innovation. They misallocate capital and human resources by having entrepreneurs chase fake opportunities. Domestic manufacturers love tariffs, which allow them to raise prices, but the rest of us have to overpay for goods while manufacturers become lazy. The largest and lowest-cost electric-vehicle manufacturer in the world, China’s BYD, is effectively kept out of the U.S. by Trump and Biden tariffs, and we now have a glut of unprofitable and expensive domestic EVs.

If all the chips in an iPhone were made in the U.S., I calculate we would be paying close

to \$2,000 for one and unit sales would decline 50%. Would you upgrade at that price?

Margins matter. Capital flows to its highest returns. Trade-deficit figures don’t tell you how profitable manufacturing is. Foxconn, which assembles phones for Apple, had an operating profit margin of 2.63% in 2022. Apple’s was 30.2%.

There is a bipartisan zeal for policies that misallocate capital and raise prices.

Should we go back to making low-margin clothes and toys or focus on perfecting gene therapy, generative artificial intelligence, next-generation logistics and advanced missile systems? We shouldn’t encourage labor to deteriorate human capital in dead-end industries because that wastes energy, creates pollution and increases regulation. Tariffs steal the opportunity cost of doing something better.

The double whammy of tariffs and inflation damages our engine of growth. First, tariffs are inflationary. Second, raising prices destroys growth and jobs by killing elasticity, which is how lower costs drive higher sales—think PCs and cellphones.

The government is awful at picking winners and losers. President Carter wasted bil-

lions on synfuels. Fracking proved to be the answer. Remember the Obama car? In 2014 he gave Chrysler to Fiat hoping all Americans would drive the matchbox Fiat 500. I was hoping not to mention Solyndra, so I won’t. But the Chips+ Act giving billions to Intel for fabs in Columbus, Ohio, is a waste. We could have prepaid for chips from a domestic source instead. About the only government trade policy that makes sense is denying our enemies advanced technology, and that’s really a defense policy.

Compounding the tariff troubles, White House national security adviser Jake Sullivan has falsely declared a “Washington consensus” for an “industrial strategy.” (Don’t dare call it by the disgraced term “industrial policy,” though that’s what it is.) Politicians shovel money into EVs and green energy and “reshoring” supply lines. We all pay more.

It’s baloney. Mr. Sullivan is again picking winners and losers. Let’s take a quick snapshot of past industrial policy: Steel? Failed. EVs? Gluts. Price controls on medicine? Shortages. Renewable energy? It’s pricing lower-income folks out of driving to work and heating their homes.

We have the world’s strongest economy. Tariffs are a sign of weakness. Let markets, not vote-buying politicians, decide which industries will bloom from the ground up. Tariffs and industrial policy are for losers.

*Write to kessler@wsj.com.*

BOOKSHELF | By Frank Rose

Follow the Mavericks

The Geek Way

By Andrew McAfee  
*Little, Brown, 336 pages, \$30*

What do New Coke, Arthur Andersen and the short-lived Hollywood mobile-video outfit Quibi have in common? All three were colossal business failures, flaming out in spectacular fashion in full public view. Now, what do debacles like these have to do with the “Simple Sabotage Field Manual,” a how-to for “citizen saboteurs” in Nazi-occupied territories during World War II? As Andrew McAfee points out in “The Geek Way: The Radical Mindset That Drives Extraordinary Results,” some of the conventional management practices that contributed to those corporate fiascos resemble the acts of sabotage laid out in the wartime pamphlet. The industrial-age way of doing business is often a blueprint for dysfunction, if not disaster.

Mr. McAfee, a research scientist at MIT and the author of several books on business and technology, proposes a radical rethink along the lines of successful digital enterprises such as Amazon and Netflix—companies founded and run by those he calls “business geeks.” These are the maverick thinkers who’ve come up with unconventional methods for running a corporation. Their ideas are “cultural solutions, not technological ones,” the author stresses. They aren’t restricted to—or even always practiced by—tech companies. Anyone can play.

The “geek way,” as laid out by Mr. McAfee, is a product of four basic values: speed, ownership, science and openness. “Speed” means implementing ideas quickly,

even if they’re not quite ready: You’ll learn more by iterating than by sitting in endless planning sessions. “Ownership” means letting employees own the jobs they perform, rather than follow dictates from the top. “Science” is shorthand for following the evidence, not your own opinions—or Roberto Goizueta’s, if you happened to work for the Coca-Cola chief executive in the 1980s. (Blind taste tests indeed showed that people preferred New Coke’s sweeter formulation, but Goizueta failed to realize that the issue wasn’t taste, it was whether to tinker with a classic.) “Openness” conveys a willingness to hear what other people have to say. For executives who have bought into the idea of “leadership,” not to mention their own brilliance, this might be the hardest lesson of all. Yet if he had listened to others, Jeffrey Katzenberg might not have burned through \$1.75 billion in funding for Quibi at a rate of millions of dollars a day before calling it quits.

It’s not only leadership that’s at stake, it’s the whole idea of how to run a company. Forget elaborate procedures, long meetings, strict hierarchies and deference to authority, Mr. McAfee says. Forget the command-and-control ethos at the root of all this. “Command” often takes you into the weeds, and “control” ensures you stay there. “The geek way leans into arguments and loathes bureaucracy,” the author writes. “It favors iteration over planning, shuns coordination, and tolerates some chaos. Its practitioners are . . . not afraid to fail, challenge the boss, or be proven wrong. Instead of respecting hierarchy and credentials, they respect helpfulness and chops.”

Problems with bureaucracy and hierarchy have been noted before. What distinguishes “The Geek Way” is Mr. McAfee’s focus on cultural anthropology. He notes that sociability is “humanity’s superpower;” but it’s also our kryptonite. Group behavior is the source of any number of problems. Bureaucracy stems from our innate drive for status. Striving to look and feel important, executives insert themselves into routine procedures—which is why one Hewlett-Packard manager needed the approval of 20 people, most of whom she’d never heard of, to hire some outside consultants. Our highly social nature likewise helped doom Arthur Andersen once it started providing, as Mr. McAfee puts it, “clean audits . . . for dirty clients.” If everybody does it, who is going to speak up? Eventually the rot became so routine that the head of ethics padded her fees at the insistence of a partner.

The old way of doing things has often been a blueprint for dysfunction. Sociability may be humanity’s superpower but also our kryptonite.

Geeks, too, can lose their way. In 2011 Netflix’s CEO, Reed Hastings, decided to split the company; one half would focus on the new business of streaming while the other half continued distributing DVDs by mail. Unfortunately, Mr. Hastings violated the norm of openness by failing to ask for employee feedback. Brickbats ensued. “Better choices have been made at 24/7 Las Vegas chapels after too many Limoncello shots,” one commentator quipped. By the time Mr. Hastings reversed himself, the company’s stock had fallen by 75%. But he learned his lesson: Netflix executives have since been required to “farm for dissent” before launching any major initiative.

Like Mr. Katzenberg, Mr. Hastings succumbed to the temptation of management by Hippo—a derivative acronym devised by Google engineers to stand for “Highest-Paid Person’s Opinion.” Hippo has run wild at Facebook, which changed its name to Meta after Mark Zuckerberg, the company’s CEO and controlling shareholder, decided that the future of computing lay in the metaverse. Mr. Zuckerberg, who by one estimate had thrown some \$15 billion at the idea by the end of 2022, answers to no one, least of all his employees—some of whom are said to refer to the metaverse project as MMH, short for “Make Mark Happy.”

Few of the ideas presented by Mr. McAfee are original; they’ve been floating around Silicon Valley for years, and they are emblematic of the systems approach that’s gone in and out of fashion at business schools for decades. The author cites Chris Argyris, a longtime Harvard Business School professor who, in the 1970s and ’80s, exposed the flaw at the heart of conventional management thinking, which touts control and positive thinking as power moves. Argyris pointed out that such tactics instead give rise to self-serving and defensive behavior. Nor do Mr. McAfee’s prescriptions guarantee a positive outcome for society at large: Geek companies, the author notes, don’t necessarily do well at attracting women and minorities, protecting workers’ health, or preventing fake news and hate speech.

But societal ills are beyond the scope of this book. “The Geek Way” shows how easy it can be to slip into such organizational flaws as runaway bureaucracy and management by fiat. By fashioning the alternatives into a coherent system, Mr. McAfee has created a powerful synthesis that anyone who occupies or aspires to a position of authority would do well to explore.

*Mr. Rose is the awards director at Columbia University’s Digital Storytelling Lab and the author, most recently, of “The Sea We Swim In: How Stories Work in a Data-Driven World.”*

Victory Seems Not to Be an Option for Biden

By Garry Kasparov

With less than a year until the election, President Biden’s legacy is beginning to take shape. He is leaving a record of defeat.

From Afghanistan to Ukraine to Gaza, Mr. Biden has adopted Barack Obama’s playbook of leading the free world from behind. On Dec. 1, Secretary of State Antony Blinken made his fourth visit to Israel since the Hamas terrorist attacks of Oct. 7. His remarks focused on what Israel shouldn’t do in Gaza rather than on how to defeat the Hamas terrorists who are still holding around 140 hostages.

Mr. Biden’s Obama-era team—national security adviser Jake Sullivan, Central Intelligence Agency Director William J. Burns and climate envoy John Kerry—adore grand bargains that make them feel like masters of the geopolitical universe. What the U.S. gives up in these deals is usually clear. But it’s rarely apparent what America and her allies get in return. Washington sent billions in cash to Iran for unverifiable promises and restrained Ukraine to try to win favor with Russia.

It’s convenient for Mr. Biden that MAGA Republicans oppose aid to Ukraine; he can blame them for his failure to deliver. While it’s true that Congress is playing politics with American credibility and Ukrainian lives, so is Mr. Biden, who has the power to arm Ukraine today if he wished. The tanks, ATACMS, big drones and jets that Ukraine

needs to win the war are collecting dust in American warehouses instead of destroying the Russian military.

On Nov. 18, I represented the Russian Action Committee at the 15th Halifax Security Forum. Remarks there by Estonian Defense Minister Hanno Pevkur and others strengthened my belief that the U.S. is deliberately allowing the Russian occupation to continue. Two vital arteries feed Vladimir Putin’s army

The Afghan pullout set a precedent for weakness in Ukraine and the Middle East.

and enable his occupation: the Crimean land bridge and the Melitopol railway. According to several analysts, a single barrage of properly loaded ATACMS could destroy both and starve Mr. Putin’s invading army of supplies. Withholding these armaments is a choice.

At every point of conflict in his presidency, Mr. Biden’s modus operandi, like Mr. Obama’s, has been to make concessions to create the illusion of diplomatic success. Mr. Biden appears intent on cutting yet another deal to make the problem of Ukraine go away—for the moment. The same shortsighted fecklessness led Mr. Obama to back off from defending Ukraine in 2014 when Mr. Putin first invaded and annexed Crimea, leading inevitably to his full-

scale invasion in 2022. My great fear is that Mr. Biden’s envoys are now discussing with Mr. Putin the partition of Ukraine along the current front lines.

Mr. Biden has refused to support Ukraine’s immediate admission to the North Atlantic Treaty Organization. I predict he will offer NATO membership for the unoccupied parts of Ukraine as a carrot to coerce President Volodymyr Zelensky into accepting this unholy partition. A considerable part of Russia’s frozen assets in the West—held as a bargaining chip by Mr. Biden—could be given to Ukraine as a sweetener.

I also worry that when Mr. Biden met with China’s Xi Jinping on Nov. 15, he might have offered concessions to China in return for Mr. Xi’s support in pressuring Mr. Putin to accept such a proposition. It would condemn millions of Ukrainians to persecution and ethnic cleansing—and any cease-fire would last only until Mr. Putin is ready to take another bite of Europe.

Allowing Mr. Xi to act as a global power broker would follow Mr. Biden’s dismal pattern. He abandoned Afghanistan out of fear of staying longer, and the incompetent American retreat emboldened Mr. Putin to invade Ukraine. By letting Mr. Putin get away with invasion and atrocities in Ukraine, Mr. Biden’s advisers emboldened Iran-backed Hamas to invade Israel. When the Biden administration eased oil sanctions on Venezuela, dictator Nicolás Maduro responded by cracking down

on elections and preparing to annex half of neighboring Guyana.

If Mr. Biden allows Mr. Putin to take more Ukrainian territory by force today, he would embolden Mr. Xi to invade Taiwan tomorrow. Weakness invites aggression. War and terror spread until the leaders are neutralized.

If Mr. Biden armed Ukraine for victory, Mr. Putin wouldn’t survive long. His downfall would cripple a circle of thugs and terrorists from Caracas to Tehran. It’s also possible that Russia as it exists today wouldn’t survive. So what? Recall that many foreign-policy experts, including President George H.W. Bush, attempted to preserve the Soviet Union out of fear of what might happen if it fell. I’m grateful they failed.

The collapse of the Soviet Union led to an unparalleled expansion of global freedom, an opportunity that Ukraine and others seized. Mr. Putin and his KGB gang ripped that from our grasp. The end of the Russian mafia state would be a mortal blow to the forces of terrorism and tyranny. Israel and Ukraine are fighting the same fight. The Biden administration should be doing everything possible to help them win instead of holding them back.

*Mr. Kasparov is chairman of the Renew Democracy Initiative and a co-founder of the Russian Action Committee.*

Mary Anastasia O’Grady is away.

Meet the Press? Thanks, but I’ll Pass

By Joseph Epstein

Every Sunday I make the same mistake. At 9 a.m. Central Time, I turn on “Meet the Press,” or “Meet the Pest” as I have come to call it. For nine years the host was Chuck Todd. Mr. Todd was notable for overestimating his charm and underestimating the intelligence of people he interviewed, who were chiefly politicians. He loved nothing so much as catching out a senator or congressman or cabinet member in a contradiction, as if contradictions weren’t the air that such men and women breathe.

“Meet the Press” consists of two or three interviews, an examination of the latest polls and other such ephemeral data, and a 10-minute or so panel, always consisting of three liberal and one conservative journalist or sometimes a retired politician. Mr. Todd led the perfectly predictable

panel discussion, aggressively inserting his own opinions and smiling at his own jokes. He seemed always to be having a swell time. Wish I could say the same. Now that he is gone, I don’t miss him. I wish him well, as the Jews in Russia said about the czar, but not too close to me.

I’ve sworn off the program and have an hour more for poetry.

Mr. Todd’s replacement, who began Sept. 17, is Kristen Welker, previously NBC News’s White House correspondent. I remember her asking many an earnest question of various press secretaries and never getting what by her lights was a satisfactory answer. Unlike Mr. Todd, Ms. Welker hasn’t the time or temperament for humor. She seems to have

spent most of her verbal life in the interrogative. A frequent plaint of hers is “But you haven’t answered my question.” Usually her questions are meant to commit politicians to actions, views or opinions of which they want no part.

Watching Ms. Welker interview Gov. Ron DeSantis on Dec. 3, I saw a fine exhibit of two people talking over each other. Mr. DeSantis is fiercely articulate, a master of sorts of politician’s English, except for his apparently never having been taught about that useful bit of punctuation known as the period. As he droned on and on, repeating things he has doubtless said scores of times, Ms. Welker kept trying to pin him down: “So is that a yes? Is that a yes? . . . What would you do, governor? What would you do?”

Interviews are supposed to be symbiotic, beneficial to both the journalist and the politician. Over the years they

have become increasingly adversarial. The journalist and the politician exhibit rivaling opinions, which have come to seem emptier and emptier, reminding one of Paul Valéry’s devastating aphorism: “Credulity and falsehood copulate, and give birth to opinion.”

“Meet the Press” is advertised as “the longest running show on American television.” The program’s first episode was on Nov. 6, 1947. Lots of people must like it to have kept it in business so long. It’s likely to survive without my watching any further episodes. When 9 a.m. came around this past Sunday, I found myself not listening to the prattling of politicians refusing to answer Ms. Welker’s questions, but reading poetry instead. I plan to keep doing that. Time much better spent.

*Mr. Epstein is author, most recently, of “The Novel, Who Needs It?”*

OPINION

REVIEW & OUTLOOK

Biden Ambushes Pharma Patents

While the press frets about Donald Trump establishing the Fourth Reich, President Biden is rewriting laws to arrogate sweeping power for himself. On Thursday the Administration threatened to seize patents of drugs and other innovations, which could be its most economically destructive executive act to date.

The Commerce and Health and Human Services Departments are proposing new guidance on “march-in” rights under the 1980 Bayh-Dole Act. The law was meant to encourage cooperation among industry, research institutions and government to bring innovations to market. Mr. Biden’s patent grab will do the opposite.

Bayh-Dole attempted to solve the problem of tens of thousands of government patents that were collecting dust. Government had taken the position that inventions stemming from federally funded research belonged to the government. But why develop a product if you won’t be allowed to profit from it?

Under Bayh-Dole, research institutions receiving federal funds were allowed to patent inventions and license them to companies to commercialize them. It worked. Only in limited circumstances can government “march in” and confiscate a patent—namely, when a company hasn’t made a good-faith effort to commercialize the research.

Progressives for decades have wanted to use march-in rights to seize patents on drugs they claim are too expensive. Health and Human Services Secretary Xavier Becerra led the charge last decade in Congress. Yet Administrations of both parties have demurred until now because they understood its destructive impact.

Under the proposed Biden guidelines, march-in rights will be used as price controls. Government agencies could seize patents if “the price or other terms at which the product is currently offered to the public are not reasonable” or “unreasonably limit availability of the invention to the public.”

As Biden National Economic Council director Lael Brainard explained, “We’ll make it clear that when drug companies won’t sell taxpayer funded drugs at reasonable prices, we will be prepared to allow other companies to provide those drugs for less.” Translation: That’s a nice medicine you have there . . . shame if something happened to it.

Did the White House consult with the National Institutes of Health or other scientific agencies? The NIH this year rejected a petition by a left-wing group to exercise march-in rights

on a prostate cancer drug by Pfizer and Astellas Pharma. NIH knows that seizing patents would dampen cooperation between research institutions and industry, harming innovation and patients.

That’s what happened 30 years ago when NIH briefly required companies exclusively licensing its inventions to pledge to sell the byproducts at a reasonable price. Private industry walked away. In rescinding the NIH policy in 1995, director Harold Varmus said “the pricing clause has driven industry away from potentially beneficial scientific collaborations with PHS (public health service) scientists” without offsetting benefits to the public. He called it “a restraint on the new product development.”

Former Sens. Birch Bayh and Bob Dole in 2002 explained that their law “makes no reference to a reasonable price that should be dictated by the government. This omission was intentional; the primary purpose of the act was to entice the private sector to seek public-private research collaboration rather than focusing on its own proprietary research.” They stressed that “the purpose of our act was to spur the interaction between public and private research so that patients would receive the benefits of innovative science sooner.”

\* \* \*

Alas, the Biden Administration cares more about expanding government control over the private economy than accelerating life-saving treatments. The President’s cancer moonshot initiative boosts funding for research institutions, but his threat to seize patents will discourage companies from building on future discoveries. Does the Administration’s left hand know what its far left hand is doing?

Progressives say government deserves paternity rights to drug patents because it plays an outside role in funding their development. But of 18 medicines that have been approved by the Food and Drug Administration with patents linked to NIH grants in 2000, total private investment exceeded government funding 66-fold. Profits and intellectual-property protections drive American innovation. Mr. Biden’s patent heist undercuts both and will embolden China to seize U.S. patents.

Note, too, that the Administration’s plan would let the government seize patents of other products such as semiconductors, artificial intelligence, nuclear energy and lithium-ion batteries, and any inventions that result from the \$200 billion in funding from last year’s chips bill. Stealing IP is now part of Bidenomics.

No Menorahs, Please

The Christmas season is a busy time for our secular scolds. Usually they are taking offense at nativity displays. But this year they have decided to be more ecumenical by going after a proposed menorah lighting in Williamsburg, Va.

The lighting was proposed for Dec. 10 at the 2nd Sundays Art and Music Festival. But plans were cancelled. In messages to Rabbi Mendy Heber, festival organizer Shirley Vermillion said the organization decided that it couldn’t approve the lighting because it didn’t “want to make it seem we’re choosing a side—supporting the killing/bombing of thousands of men, women and children.”

When the news broke, Gov. Glenn Youngkin tweeted that the decision was “absurd and antisemitic.” Ms. Vermillion claims the festival wasn’t cancelled because it had never officially been approved. She has also told various media outlets that 2nd Sundays doesn’t feature religious events and has turned down many Chris-

tian organizations in the past.

But at one point Ms. Vermillion suggested the menorah lighting might be okay if an Islamic group were to participate at the same time, or if the lighting took place under a banner calling for a cease-fire in the Hamas-Israel conflict. So who’s really taking sides here?

The lighting of the menorah is part of Hanukkah, when Jews celebrate the Maccabees victory over Syrian-Greek rulers who demanded that they give up their Jewish identity and practices. After the Jews liberated the Temple in Jerusalem, they discovered a jug that had enough oil for one day but lasted for eight days. Today the holiday is known as the Festival of Lights.

Hanukkah has been celebrated for millennia, long before the present conflict in Gaza. To those who say that allowing a menorah lighting is to approve the killing of men, women and children, we’d say that’s a good argument for more light in the midst of such darkness.

The Ivy League Mask Falls

The furor over antisemitism on campus is a rare and welcome example of accountability at American universities.

But it won’t amount to much if the only result is the resignation of a couple of university presidents.

The great benefit of last week’s performance by three elite-school presidents before Congress is that it tore the mask off the intellectual and political corruption of much of the American academy. The world was appalled by the equivocation of the academic leaders when asked if advocating genocide against Jews violated their codes of conduct. But the episode merely revealed the value system that has become endemic at too many prestigious schools.

The presidents of MIT, Harvard and the University of Pennsylvania hid behind concerns about free speech. But as everyone paying attention knows, these schools don’t protect speech they disagree with. They punish it.

Harvard President Claudine Gay has presided over the ouster of professors for speech that violated progressive orthodoxy. As Elise Stefanik wrote on these pages on Friday, Harvard’s Title IX training says using the wrong pronouns qualifies as abuse. Harvard was 248th out of 248, and Penn was 247th, in the annual college ranking by the free-speech Foundation for Individual Rights and Expression.

But because Jews in Israel are seen in the progressive canon as white oppressors and colonizers, it’s not a clear campus violation to call for murdering Jews because it depends on the context.

The three presidents have apologized for or

Antisemitism is one example of a much deeper rot on campus.

moderated their comments before Congress, but that was only after the political consequences became clear. Believe what they said the first time. That is what their institutions now stand for.

The resignations of Penn president Elizabeth Magill and board of trustees chairman Scott Bok are best understood as attempts to placate angry donors. That’s fine as far as it goes. But if the accountability ends there, nothing much will change.

The schools may attempt to mollify the fury by adding Jews to the classes deemed oppressed. That may make antisemitism less tolerated on campus. But it won’t change the deeper rot of anti-American, anti-Western instruction that dominates so many campuses. And it won’t root out the “diversity, equity and inclusion” (DEI) policies that use race, gender and sexuality as political weapons to enforce intellectual conformity, dictate tenure decisions, and punish dissenters.

The answers must lie with boards of trustees willing to appoint presidents who will stand up to the DEI censors and require intellectual diversity among the faculty. Donors will also have to follow through on boycotting schools until they do. Too many trustees and donors are happy to settle for getting their names on buildings and their children admitted.

The reality is that many schools of higher learning these days are nurturing views that undermine classical liberal values and core American principles. Tolerance for antisemitism is one ugly example, but the problem is deeper and requires urgent attention.

LETTERS TO THE EDITOR

Is a Wealth Tax Lurking Around the Corner?

Your editorial “The Supreme Court and a Wealth Tax” (Dec. 6) correctly concludes that a wealth tax is unconstitutional. But as someone who helped write the Tax Cuts and Jobs Act as a member of House Speaker Paul Ryan’s staff, I can tell you that equating the 2017 repatriation provision with such a tax confuses wealth with income.

The statutory text makes clear that the tax before the court is on foreign income previously deferred by Congress, not on asset value or appreciation, and certainly not on wealth. In fact, taxable income is limited to shareholders’ share of the corporation’s realized profits.

Further, Solicitor General Elizabeth Prelogar didn’t “open the door to a wealth tax.” She closed it. She agreed with Justice Brett Kavanaugh that a tax on the value of property (i.e., a wealth tax) would have to be apportioned, responding, “Exactly. That’s a quintessential tax on property.” In other words, she agreed that a wealth tax is unconstitutional.

You also reference “the High Court’s doctrine of constructive realization,” but that’s a fabrication of the petitioners. No such doctrine exists, prompting Justice Kavanaugh to ask, “In your brief, . . . you use the phrase ‘constructive realization,’ and I would ask if you

could define what you mean.”

I share your concern that the court could “blow up the Constitution’s limits on Congress’s taxing power.” Fortunately, that isn’t happening here. This provision falls within a century-old tradition of Congress attributing business income to its owners. Reports of a wealth tax are greatly exaggerated.

GEORGE CALLAS  
EVP of public finance, Arnold Ventures  
Washington

Solicitor General Prelogar states that the “ordinary conception of income” means “economic gain between two points in time.” A quick web search, however, reveals the definition of income to be: “money received, especially on a regular basis, for work or investments.”

Despite her protestations to the contrary, Ms. Prelogar is laying the groundwork for a wealth tax by conflating “money received” with paper gain or appreciation. As a retiree, I have assets that may increase in value, but until I receive money in the form of dividends or sales of those assets, there is no income. I can’t buy groceries or fill up my gas tank with paper gain or appreciation.

JIM WILLIAMS  
San Clemente, Calif.

If Trump Wins, Would He Be Able to Govern?

I’ve never owned a fleece vest, but I find myself agreeing with most of what Gerard Baker’s Fleece Vest character says (“Fleece Vest” and ‘MAGA Hat’ Discuss Trump,” Free Expression, Nov. 28). To me, however, concerns about the former president’s ability to govern effectively are as important as the questions raised by the aftermath of the 2020 election.

Mr. Trump excites an irrational loathing in many on the left that makes any type of bipartisan collaboration or compromise very difficult, if not impossible. His presence at the top of the ticket is unlikely to help build functioning Republican majorities in the House and Senate, especially given his track record of promoting unelectable candidates.

He may be able to arrest or undo some of the harm that the Biden administration has done through execu-

tive action, but he seems unlikely to be able to push through a significant legislative agenda.

If elected, Mr. Trump would be an instant lame duck. At the end of his term in 2029 he would be 82, the same age as Joe Biden would be when, as we hope, he leaves office in 2025.

If events give us the contest that no one wants, I am ready to wear the red hat again—in my case, for the third time. But as amused as I might be by the spectacle of more tears and wailing on the left, the less vindictive angels of my nature compel me to seek a candidate with a positive message who can bring people into the Republican Party, providing the electoral wherewithal to legislate and govern effectively. Mr. Trump is not that person.

JOHN NINOMIYA  
Sedona, Ariz.

Title Insurance and Protecting Home Buyers

Without title agents, the process of buying and selling a home would be far more complicated for all parties involved (“Title Insurance Plan Scuttled After Blowback From Insurers, Lawmakers,” Business & Finance, Nov. 24). We thoroughly examine the title back 60 years or more, research tax records, liens, judgments and municipal charges, and clear any issues on title prior to issuing a title-insurance policy. Of course claims would be lower than other insurance industries, since title is cleaned up before the closing.

Our industry is responsible for so much more than issuing title insurance. We are required to report prop-

erty sales to the Internal Revenue Service as well as to state comptroller offices, and collect millions of dollars in unpaid tax liens, judgments, past-due child support and condominium dues. We pay water bills, credit cards and even car loans. We must comply with tax collection on foreign sellers and with detailed reporting requirements through the Financial Crimes Enforcement Network. Failure to comply subjects us to fines and penalties.

We agree that housing is unaffordable for far too many. Changing that will require our leaders to make difficult decisions. Meanwhile, all should be afforded protection of their home titles. A title-insurance policy is the best consumer protection in the home-buying process.

CECELIA A. ADAMS  
RSI Title  
Rockville, Md.

The Ethical Case for Going Vegan and Saving the Cows

Comparing cars and cows is like comparing a cold, lifeless machine to your beloved animal companion (“First They Came for the Cars, Then the Cows” by Allysia Finley, Life Science, Dec. 4). Cows are feeling beings with beating hearts. Just like humans, they want to live.

On today’s farms, animals endure filthy, cramped conditions and are unable to express natural behaviors. They face painful procedures, and constant noise, rough handling and transport cause stress and fear. Factory farming values profit over sentient beings. We must stop.

Meat-eaters are responsible for almost twice as many dietary greenhouse-gas emissions a day as vegetarians and about two-and-a-half times as many as vegans. According to the United Nations, a global shift toward a vegan diet is vital to combat the worst effects of the climate crisis.

The next time you visit the grocery store, reject the flesh. Let’s go vegan and save the Earth—and ourselves.

REBECCA LIBAUSKAS  
The PETA Foundation  
Norfolk, Va.

A Lesson for Sen. Tuberville

Your editorial “Tuberville’s Hard Beltway Education” (Dec. 6) allows me to chalk up one more proof of the proposition, “Don’t take hostages you aren’t prepared to shoot.”

BOB MUTH  
Lancaster, Pa.

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Are the Students Cheating?

Naomi Schaefer Riley’s review of “The Peer Effect” by Syed Ali and Margaret Chin (Bookshelf, Dec. 7) asks, “Why is Stuyvesant such a success?” Anyone who has read David Callahan’s scathing book “The Cheating Culture” might answer that question with another question: Were the students cheating? Has the school’s culture changed that much since the latter book’s 2004 publication?

ROBERT A. YOST  
Winter Haven, Fla.

Pepper ... And Salt

THE WALL STREET JOURNAL



“Wiped out’ is such a harsh term. Let’s just say your love of money was unrequited.”

OPINION

Israel’s Message in Gaza to Iran and Hezbollah

By Yonah Jeremy Bob

**N**orthern Gaza City has been flattened. It isn’t just another combat zone. The area will need years of rebuilding before Palestinian civilians can live there. I saw the fallout from the war between Israel and Hamas during a recent trip with Israel Defense Forces to Gaza City, including the vast network of tunnels around Al-Shifa Hospital, one of the terror group’s unofficial capitals. I moved around the area aboard one of the IDF’s Namer armored personnel carriers.

**Jerusalem, no longer afraid of taking the offensive, shows it is willing to go to the mat if pushed too far.**

What happened in Gaza, and particularly at Al-Shifa, will reshape the Middle East, including for Hezbollah and Iran, over the next decade and possibly beyond. While the Mossad blocked Iran from obtaining nuclear weapons for more than 20 years, questions persisted about whether Israel would actually launch a major strike against Tehran if Ayatollah Ali Khamenei gave the order to break out a nuclear weapon. My visit to

Gaza answered that question. But first, what has emerged from the war and the IDF’s taking over Al-Shifa Hospital and Hamas’s underground tunnels there? What paradigms have been shattered? For the past 16 years, with Hamas controlling the Gaza Strip, Al-Shifa was untouchable. After the 50-day Gaza conflict in mid-2014, many Israeli defense officials said if they could take out the tunnels under Al-Shifa, they could end Hamas or cripple its leadership hiding there. At the same time, the IDF warned that Hamas was storing weapons and running command-and-control operations from Gaza hospitals. Al-Shifa, the pinnacle of those activities, is no longer untouchable. No part of Gaza is. Hamas’s officials lost their precious underground network at Al-Shifa. They had sent forces and messages through the tunnels and sneaked commanders throughout Gaza City, with Israel’s mighty air force and technological sensors unable to track any of it. Israel showed Hamas that after the Oct. 7 massacre, it has the power and the will to rout the terror group from even sensitive civilian locations. For years Israel feared using its military advantage against weaker adversaries. Why? Because of the damage rockets could do to the Jewish state’s home front, the cost in Israeli soldier casualties and worries about global legitimacy. With tools such as the Iron Dome missile defense



Israeli soldiers by a tunnel under Al-Shifa Hospital in Gaza City, Nov. 22.

system, Jerusalem avoided playing offense. Now Israel has proved—at least to anyone who sees Hamas’s stockpiles of guns, grenades, drones and other materiel found at Al-Shifa—that it was right all along about the terror group’s abuse of civilian locations. The U.S. government took Israel’s side when it took over the hospital—something Jerusalem wouldn’t take for granted. This will have implications for any effort by the International Criminal Court to go after the IDF for alleged war crimes. What Israeli forces didn’t do at Al-Shifa was defeat Hamas completely. Rather, the IDF appears to have let Hamas, including about

200 fighters, escape to southern Gaza. This may have been either to avoid a bloodbath inside the hospital or preserve the possibility of what turned out to be a weeklong cease-fire in which dozens of Israeli hostages were returned. Since the Dec. 4 invasion of Khan Younis, the IDF has been confronting Hamas in a more definitive fashion, with most of the terror group’s fighters and leaders fleeing south. Israel expects an insurgency in Gaza even after it defeats Hamas. According to the United Nations, 60% of housing in northern Gaza has been destroyed. The extent of the destruction means civilians won’t be able to return quickly. An insurgency could last longer than

the six to nine months that defense officials have predicted. The staggering cost to rebuild will make it harder to manage the region after the war and the insurgency, no matter whom Israel puts in charge. The flattening of northern Gaza also sends a message to Hezbollah in Lebanon, to Tehran and to Iranian proxies in Syria: Mess with us and expect the same. Israelis are now more inclined to believe their country will use force against Hezbollah and Iran if necessary. The Lebanese terror group is far more dangerous than Hamas, given its special forces, mortars and precision rockets. Jerusalem has lived in fear of Hezbollah for well over a decade. What I saw in Gaza City is probably in part why Hezbollah has fired “only” 1,000 times on Israel since Oct. 7 and “only” in the north. The group now believes Israel’s threats of what it would do if Hezbollah crosses certain lines. So does Tehran. That won’t end the violence against Israel in the Middle East, but it will shift the balance of power. Israel has shown it is willing to go to the mat when pushed too far.

*Mr. Bob is senior military analyst for the Jerusalem Post and a co-author of “Target Tehran: How Israel Is Using Sabotage, Cyberwarfare, Assassination—and Secret Diplomacy—to Stop a Nuclear Iran and Create a New Middle East.”*



**LIFE SCIENCE**  
By Allysia Finley

If you haven’t heard, Donald Trump and his MAGA Republicans are planning a coup. “A Trump dictatorship is increasingly inevitable,” Robert Kagan, an editor at large at the Washington Post, writes in a recent 6,000-word essay that compares America’s fractious democracy with Weimar Germany. Budding opinion writers are instructed not to draw inapt comparisons to Hitler, yet Mr. Trump’s opponents are casting aside such conventions in much the same way they’re jettisoning political and legal ones. Only by convincing themselves that Mr. Trump threatens the existence of the republic can they justify their own weaponization of government to stop him. “When a marauder is crashing through your house, you throw everything you can at him—pots, pans, candlesticks—in the hope of slowing him down and tripping him up,” Mr. Kagan writes. Cynicism is one way to explain the left’s hysteria. Another is that

the portrayal of Mr. Trump as a would-be dictator is a textbook case of psychological projection, the process by which people avoid confronting their own unwanted thoughts, feelings or behaviors by subconsciously ascribing them to others. Psychologists refer to this as a defense mechanism. President Biden and his supporters project their own authoritarian impulses onto Mr. Trump because they don’t want to come to terms with their own illiberalism. The examples in the Biden presidency are rife. With the stroke of a pen, Mr. Biden tried to cancel half a trillion dollars in student debt, ban evictions and mandate Covid vaccines—each of which the Supreme Court blocked because Congress never gave the president the authority to do so. Even after losing at the high court, his administration has used other regulatory means to write off about \$770 billion in student debt. Mr. Biden has abused his authority under the 1906 Antiquities Act to wall off nearly 1.5 million acres of land from fossil-fuel development. He’s reconstructed the Clean Air Act to shut down coal and gas power

plants and ban gasoline-powered cars. And he has ignored Congress’s command to lease federal land for oil and gas drilling and dallied on holding auctions even after being ordered by a federal court to do so. His administration has failed to enforce the nation’s immigration laws, paroling millions of migrants

**Biden and his supporters try to excuse and deflect attention from their own authoritarian actions.**

into the U.S. rather than detaining them at the border or holding them in Mexico while they await hearings. The immigration-court backlog has doubled to two million since 2019 amid a surge of migrants exploiting lax law enforcement. The top brass has threatened social-media companies with retribution, including antitrust lawsuits, if they don’t censor speech that progressives dislike. The Fifth U.S. Circuit Court of Appeals in September ruled that Biden officials had vio-

lated the First Amendment by colluding with tech platforms to squelch politically disfavored speech about Covid and elections. A phalanx of regulators—the Federal Trade Commission, Securities and Exchange Commission, National Labor Relations Board and Justice Department—has targeted Elon Musk’s companies for sundry regulatory infractions after the tech entrepreneur criticized Democrats’ leftward lurch and recommended Americans vote for Republicans in the 2022 midterms. Meantime, a Justice Department special counsel has filed trumped-up charges against Mr. Trump for allegedly defrauding the U.S. Progressive prosecutors in Georgia and New York have piled on. New York Attorney General Letitia James even campaigned for office in 2018 on a pledge to nail the sitting president. Abuse executive power. Ignore the law. Run roughshod over individual liberties. Retaliate against political opponents. Mr. Biden and his allies have done exactly what they warn Mr. Trump will do if he returns to the White House. Unlike Mr. Biden, however, Mr. Trump would have to contend with a hostile media and

federal bureaucracy that would be throwing pots, pans and candlesticks at him at every step. The left’s depictions of Mr. Trump as a tyrant are likely to fall on deaf ears with GOP voters who have heard leftists say the same for years, and not only about Mr. Trump. “Bush the despot” headlined a piece by former Bill Clinton aide Sidney Blumenthal in 2005. “In a single coup, he planned to take over all the institutions of government. By crushing the traditions of the Senate he would pack the courts, especially the Supreme Court, with lock-step ideologues,” Mr. Blumenthal wrote. Isn’t that what leftists have been exhorting President Biden to do? Some conservatives engage in projection too. Consider Vivek Ramaswamy’s questioning of Nikki Haley’s authenticity during last week’s debate even as he pandered to Trump voters. Mr. Trump derides his former allies as disloyal even though he turned on them because he couldn’t abide their dissent or criticism. What Mr. Trump and his opponents have most in common is their determination to blame others for their own failings.

Why Go to College if the World Is About to End?

By James Piereson  
And Naomi Schaefer Riley

**T**he Jehovah’s Witnesses have long preached that going to college is a waste of time because the world as we know it is going to end soon. “No doubt, school counselors sincerely believe that it is in your best interests to pursue higher education,” advised the faith’s official publication a few years ago. “Yet, their confidence lies in a social and financial system that has no lasting future.” This admonition sounds a lot like the Nov. 5 viral tweet from Notre Dame professor Alexander O. Hsu, who claimed to be “tired of defending ‘the humanities’ every five seconds.” Mr. Hsu asked: “Given the very real risk of climate extinction due to capitalism, what are some defenses of business schools? What possible justification is there in making more businesspeople?” It would be interesting to know how soon Americans actually think the world is going to end. A growing number of secular progressives have begun echoing the apocalyptic rhetoric of religious sects. Their views aren’t driven solely by fear of

imminent environmental doomsday. They believe the whole “system” is broken and don’t want to bring children into a world plagued by structural racism, sexism and irreversible oppression. It is one reason campus protests are so common, with some spilling over into violence. According to this worldview, there’s no time for considered political persuasion. But the Jehovah’s Witnesses have a point. If one thinks the world will run out of time to save itself from climate catastrophe in 2030, as the U.N. Intergovernmental Panel on Climate Change declared in 2018, then there isn’t much point in going to college or planning for the future. American higher education began as a religious enterprise, with most colonial-era colleges serving as training grounds for ministers. Church and academic leaders understood that while the world might end at any time, they still had a duty to understand God and man, along with the secular order. Their writings reflect a seriousness of purpose in this enterprise that many schools should emulate today. If 18th-century American scholars decided that the world

would soon end, they wouldn’t have inspired the authors of the Declaration of Independence and the Constitution. When those institutions abandoned their religious roots in the 20th century, they embraced the progressive view that the world can be improved by the acquisition of knowledge and intelligent political reform. No matter how misguided that premise might have been, its advocates believed that they were working in the direction of progress and the relief of man’s estate. The humanities in particular have always centered on addressing eternal questions and understanding how people should conduct their lives. Vocational training, by contrast, was focused on meeting shorter term goals and earning a living. A Nov. 3 article in the New York Times chronicled the decline of funding for the humanities on campuses around the country. Ohio’s Miami University is “reappraising 18 undergraduate majors, each of which has fewer than 35 students enrolled, including French and German, American studies, art history, classical studies and religion.” At a

school of 20,000 students, few are convinced of the importance of studying the humanities. Many more are choosing majors such as computer science or nursing, which have clearer connections to postcollege employment. But today, unlike in the past, those who are engaged in these practical majors may have more hopeful views of the future. No one

**It’s a rhetorical question that suggests climate-change catastrophists have become a religious sect.**

who seriously thinks the world is ending soon would go to the trouble of starting a business or undertaking years of professional education. Americans who train to be nurses and doctors, or embark on careers in finance or law, are looking for ways to support themselves and their families decades into the future. They may even think about creating a nest egg, buying a home and eventually doting on grandchildren.

Notable & Quotable: DEI at UW

*From a Dec. 9 report in the Milwaukee Journal Sentinel:*

In an unexpected move Saturday, the board overseeing state public universities narrowly rejected a deal University of Wisconsin System leaders brokered with the state’s top Republican over campus diversity efforts. . . . The deal would have restructured dozens of diversity staff into positions serving all students and frozen the total number of diversity positions for the next three years. . . . Months in the making, UW System President Jay Rothman and UW-Mad-

ison Chancellor Jennifer Mnookin brokered the deal with Assembly Speaker Robin Vos, R-Burlington. The details announced Friday looked to cap a contentious six months of negotiations over diversity, equity and inclusion programming. “We negotiated in good faith and expected the same,” [Mr. Vos] told the Milwaukee Journal Sentinel. . . . “It’s a shame they’ve denied employees their raises and the almost (\$1 billion) investment that would have been made in the UW System to continue their ideological campaign to force students to believe only one viewpoint is acceptable on campus.”

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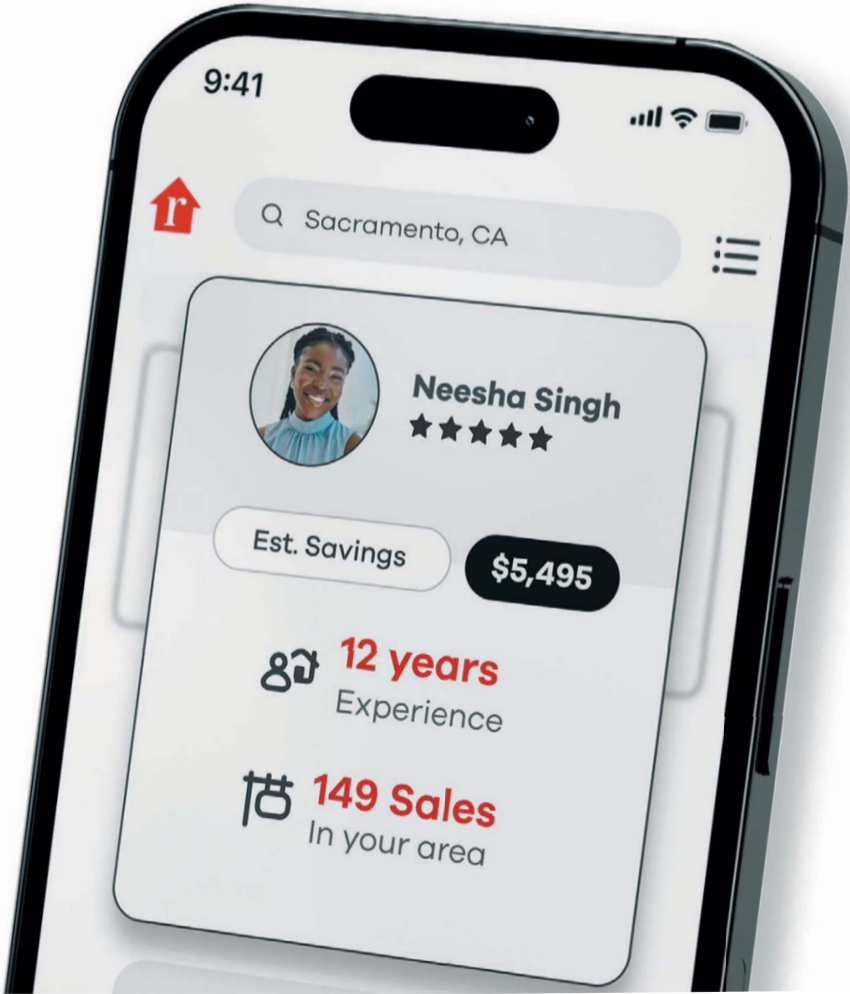
 

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Don't all apps offer  
multiple agent proposals  
when selling a home?  
Not **really**.



The **#1 app** real estate  
professionals trust to  
fight for consumers



 **real**choice™ selling

Based on an Aug. 2023 proprietary survey among real estate professionals.

# Bond Auctions Put Market on Edge

This week's Treasury bidding comes amid concerns on record-breaking debt levels

By ERIC WALLERSTEIN

The Treasury prefers its debt sales to be humdrum affairs. Lately, they are sparking fireworks in markets. Scrutiny of Treasury auctions—whereby the government funds operations by selling the world's safest bonds to big banks and dealers—has

grown alongside their size. For years, many in Washington and on Wall Street assumed that investors would buy any number of bonds the government issued, no matter the fiscal outlook. Testing that assumption: The sale of \$20.8 trillion of new Treasuries in the first 11 months of the year—is set to surpass 2020's record of just under \$21 trillion. Whether the market can absorb the rolling waves of debt without disruption is the biggest question on Wall Street ahead of this week's planned Treasury auctions. A combined

\$108 billion of 3-year, 10-year and 30-year bonds hit the block Monday and Tuesday, along with \$213 billion of shorter-term bills. The last 30-year auction was so poorly received that it rattled other parts of the markets. Investors fear that signs of weak demand might spread similar tumult, raise the cost of government borrowing and hurt the economy. The Treasury Department auctions off bonds in chunks by maturity at monthly intervals. Everyone from individuals to foreign banks can buy

them in exchange for reliable coupon payments and the government's guarantee that they will get their money back when the bond matures. The government announces its borrowing plans each quarter but waits to schedule individual auctions until a few days ahead. Among the main participants are primary dealers—banks that can trade with the Federal Reserve. They are required to bid at auctions and often end up buying more bonds when demand is weak. Wall Street covets brand-new bonds because they are

the easiest to trade. Rates are determined at auction. Advanced trading by the primary dealers helps set expectations for the new bonds' yield—or the average annual return investors will receive until maturity, based on the bonds' price and coupon. When-issued trading accounts for more than 10% of all Treasury transactions, according to Federal Reserve Bank of New York research. All prospective buyers then place competitive bids, telling the government the payout *Please turn to page B2*

# Boeing Puts Next CEO In Position For Job

By SHARON TERLEP AND EMILY GLAZER

**Boeing** is elevating Stephanie Pope to become its No. 2 executive, setting her up as the heir apparent to Chief Executive David Calhoun as the plane maker prepares for its next leadership transition. Pope, 51 years old, who heads Boeing's services arm, is expected to be named chief operating officer as soon as Monday, according to people familiar with the matter. The three-decade Boeing veteran beat out other top executives for the role. Boeing is making the change as Calhoun nears his retirement age, which was extended in 2021, and the company is in a more stable position, with some regulatory matters behind it and a rising stock price. Calhoun expects to remain in the top job at least one more year, some of the people said. A Boeing spokesman declined to comment. Pope has worked in various parts of the company, including *Please turn to page B6*

# A State Wagers \$1 Billion on an EV Outsider

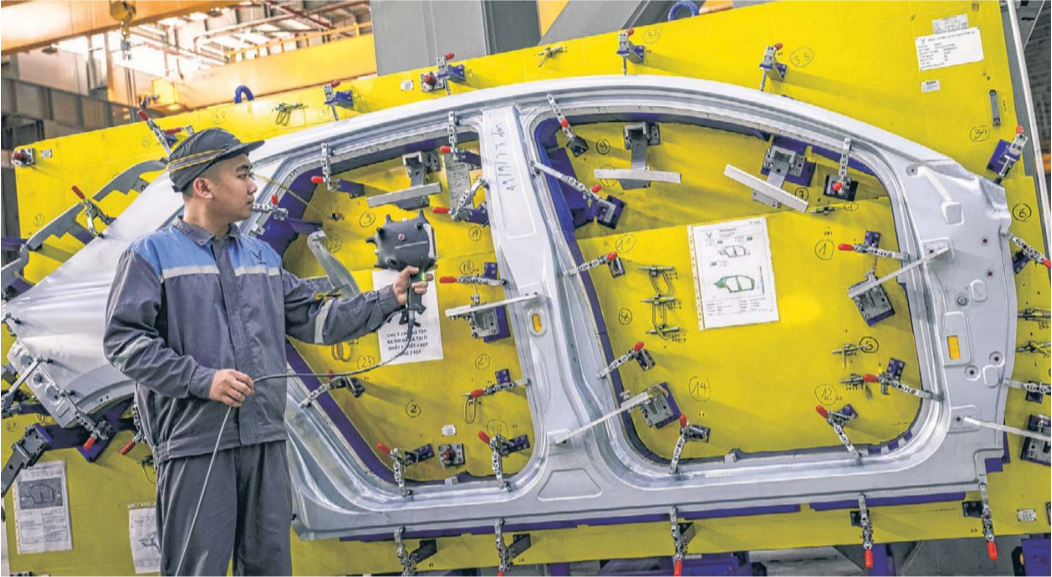
By JON EMONT AND DAVE SEBASTIAN

HAIPHONG, Vietnam—When electric-car startup **VinFast Auto** was looking to build a factory in the U.S., one state caught its attention in particular: North Carolina. For years, officials there had been trying to get an automobile manufacturer to set up shop in rural Chatham County. More than a billion dollars of incentives got them the Vietnamese upstart with huge ambitions but a limited record.

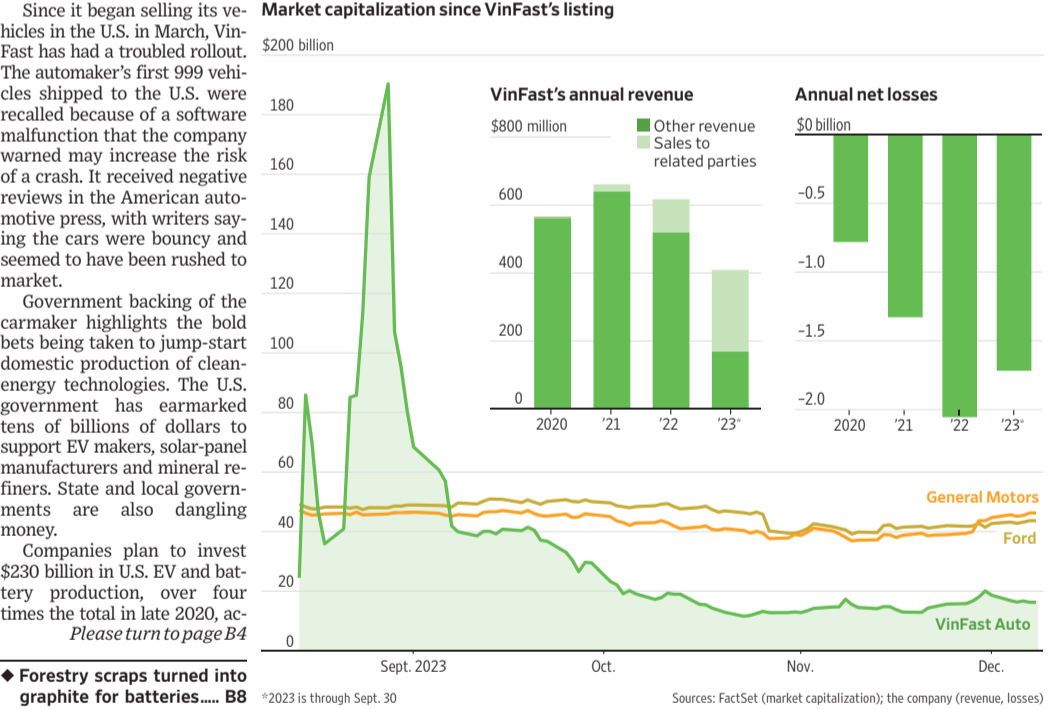
VinFast, just six years old, has licensed technology from **BMW**, hired former **General Motors** and **Ford Motor** executives, and worked with Italian designers to develop a modern-looking car. It plans to one day take on **Tesla** and other U.S. auto giants on their home turf. Among those to have feted the company is North Carolina Gov. Roy Cooper, whose administration hailed last year's factory decision as the largest economic development in the state's history. President Biden said it was "the latest example of my economic strategy at work."

VinFast's wild stock ride since its backdoor listing on the Nasdaq has drawn more attention to its lofty ambitions—and whether they can be attained. In August, VinFast was briefly worth more than Ford and GM combined, before its shares slumped more than 90% from their peak.

VinFast, which currently makes its vehicles in a massive factory in Vietnam, sold around 10,000 EVs globally in the first six months of the year, a fraction of the sales of Tesla or China's **BYD**. Most of its sales were to a taxi company owned by its parent company, **Vingroup**. VinFast lost the equivalent of more than \$5.8 billion from 2020 through the end of September. It will need to sell far more cars to break even. VinFast said that as a newcomer to the car industry, it has had to make huge investments.



A VinFast plant in Vietnam. North Carolina offered the electric-vehicle startup generous incentives to set up shop in the state.

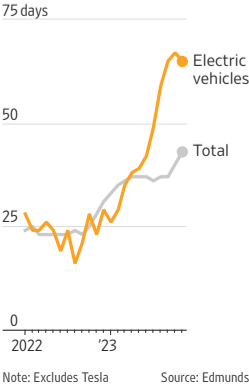


# Electric Vehicles Are Hard Sell, Dealers Say

By SEAN MCLAIN

Auto dealers across many parts of the country say electric vehicles are becoming too hard a sell for buyers worried about the range, reliability and price of these models. When Paul LaRochelle heard **Ford Motor** was coming out

**The average number of days it takes a dealer to sell vehicles in the U.S.**



with an electric pickup truck, the dealer was excited about the prospects for his business. "We thought we could build a million of them and sell them," said LaRochelle, a vice president at Sheehy Auto Stores, which sells vehicles from a dozen brands in Virginia, Maryland and Washington, D.C. The reality has been less positive. On Sheehy's car lots, LaRochelle says there is a six- to 12-month supply of EVs, compared with a month of gasoline-powered vehicles. With automakers set to release a barrage of new electric models in the coming years, concerns are mounting among auto retailers about whether the technology will have broader appeal given that many customers are still reluctant to make the switch. Battery-powered models have been piling up on car lots, dealers say, as EV sales growth has slowed in the U.S. this year. Car companies have been offering a combination of dis- *Please turn to page B8*



**BUSINESS NEWS** McDonald's is vexed by French law mandating reusable packaging. **B3**



**MARKETS** The owner of the Pilot truck-stop chain fights with Warren Buffett over its value. **B12**

# Former Head of CNN Chases Role as British Media Mogul

By ISABELLA SIMONETTI AND BEN DUMMETT

Jeff Zucker ran NBC's "Today" show as a young executive producer and was CNN's boss for nearly a decade. Now, the television veteran is angling for a very different assignment: turn conservative British news publications into global brands. Zucker is heading an investment group that has become the top contender to buy the Telegraph and the Spectator, a newspaper and a magazine both more than 150 years old. If Zucker ultimately gains control of the publications, he plans to turn the Telegraph into a global digital brand, which would involve hiring a team of reporters in the U.S. to cover American and global news, according to people familiar with his thinking. Many prominent British titles have already built a significant presence in the U.S., some for more than a decade.



Jeff Zucker wants the Telegraph to be a global digital brand.

That helped the Daily Mail and the Guardian become two of the world's most-read newspaper web operations. Zucker sees the New York Times's strategy of building a global digital footprint and emphasizing online subscriptions as a potential template for the Telegraph's own expansion, the people said. Becoming a British media

mogul would be an unlikely next act for the 58-year-old Zucker, who has mostly played the roles of TV executive and Hollywood honcho during his more than three-decade career in media. Zucker's broadcast-journalism background may still come in handy, the people said: He sees opportunities to *Please turn to page B12*

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Options Trading Intensifies

Continued from page B1

trading and gambling have further blurred. Some of the most popular trades this year resembled scratch-off lottery tickets. In exchange for a small upfront fee, a trader gets the chance at doubling or quadrupling returns—but is often left with a hole in his or her portfolio.

Rookie and pro traders alike have looked for opportunities to profit from the market's gyrations, from ups and downs in regional bank shares during the Silicon Valley Bank crisis to Nvidia's ascent in the artificial-intelligence boom.

The share of trading in contracts that expire in five or fewer days touched a record 59% in October and has remained elevated, according to figures from SpotGamma. Many traders are increasingly holding positions for hours, or even minutes, to rapidly juice their returns. The one-day trades, known by the hashtag #Odte, have gone viral, with tens of thousands of mentions swirling online.

Others have piled into exchange-traded and mutual funds that track options, sending assets to a record \$64 billion, according to Morningstar Direct, a nearly 50% jump from last year.

Options give traders the right to buy or sell stocks at a specific price, by a stated date. Although some exercise their rights to do so, the contracts are often used as tools by those looking to magnify their bets. The price of an option contract tied to Tesla, for example, is highly sensitive to where the shares go and how volatile they are, making it a tempting way to play the big stock swings.

The contracts can rapidly mushroom in value if a bet proves correct, an adrenaline-inducing rush that has hooked many traders. For example, call options tied to **Robinhood's** stock jumping to \$11.50 changed

hands for about \$2 on Dec. 1. The brokerage's shares soared in subsequent days, sending the value of the contracts to about \$20 Thursday, according to Choe Global Markets data. That return far exceeds the 23% jump in the stock over the same period.

Tom Sosnoff, co-founder of the retail brokerage Tastytrade, said people are looking to get the most bang for their buck. In the Robinhood example, each contract gave the trader the right to buy 100 shares of stock, offering a relatively cheaper way to play the moves in the shares.

Sosnoff expects a zeal for betting on sports to lead to even more interest. He tours the country hosting live trading events for individuals and said he plans to lead more events than ever next year to match the interest.

"Everybody's betting on everything," Sosnoff said.

The mania around one-day options at first reflected the uncertainty that many investors felt about the economy. Trading sessions featuring new economic data or the Federal Reserve's rate decisions sparked astonishing one-day moves in markets—and created prime conditions for traders who dip into one-day options.

Four of the five top trading days for one-day S&P 500 options through November featured economic data such as the monthly inflation or jobs report. That unease about the economy, and the stock market, morphed into a fear of missing out on market gains as the year wore on.

Broader activity in calls—which give investors the right to buy shares—surged to one of the highest-ever levels in November when the S&P 500 logged its best one-month return since July 2022. Many traders have embraced bullish wagers on gold, Treasurys and stocks.

And the AI craze fueled interest in **Nvidia** options, sending volumes up about 60% from last year and making it one of the most popular trades. **Tesla** remains the favorite play among options traders who dished out more than half a trillion dollars on contracts tied to the stock this year.

BUSINESS & FINANCE

Musk Reverses Jones's Ban From X

By ALEXA CORSE

Elon Musk said conspiracy theorist Alex Jones would be reinstated on X, a reversal from the billionaire's previous position that comes as he openly battles advertisers over their concerns about toxic content on the platform.

Musk late Saturday night Pacific time announced the reversal of the platform's five-year-old ban on Jones after running a user poll on X about whether to reinstate him. Musk had said earlier Saturday that the reason for rescinding the ban, if the X voters approved, was to foster free speech.

About 70% of respondents voted for reinstatement, and about 30% voted against. "The people have spoken and so it shall be," Musk subsequently posted.

Musk said last year that he wouldn't bring back Jones, an internet broadcaster who claimed that the mass shooting at Sandy Hook Elementary School was a hoax. Twenty schoolchildren and six adults were killed by a gunman in the 2012 incident. Family members of the shooting victims later won huge judgments in defamation cases against Jones.

Asked in November 2022 by a user on X, then called Twit-



MIKE SEGAR/REUTERS

Users voted to bring back broadcaster Alex Jones, right.

ter, to let Jones back on the platform, Musk posted: "I have no mercy for anyone who would use the deaths of children for gain, politics or fame." He cited his own painful experience with the death of his firstborn child. Urged by another user around that time to reinstate Jones, Musk answered simply: "No."

The reversal is sure to fuel further discord between Musk, who bought Twitter in October last year for \$44 billion, and the big advertisers who long provided most of its revenue.

Many big brands have pulled back advertising over concerns about Musk's leadership of the platform and his endorsement

of a number of posts that have been antisemitic or otherwise disturbing to many users. Musk in some of those cases has acknowledged that he was mistaken but also has increasingly said that he thinks speech on X should be curtailed as little as possible within the law.

Relations with advertisers hit a new low in recent weeks as Musk told brands that pulled their ads to "go f— yourself." X has been trying to broaden its advertising base including with smaller businesses.

Joe Benarroch, head of business operations at X, said Sunday that Jones's profile won't have monetization, so ads won't appear against his posts.

Markets Edgy Over Treasurys

Continued from page B1

they want to receive. The Treasury first accepts the bids with the lowest yield (which would cost the government the least), then the next-lowest, scaling the ladder toward its borrowing goal. The highest rate needed to complete the auction—called the high yield—is what all bidders receive.

An auction is considered weak when the government ends up having to offer investors much higher yields than the market expected, or when primary dealers have to buy a lot. If yields come in below expectations, Wall Street is encouraged by the strong demand.

Individuals at home can also buy Treasurys at auction by making an account at the TreasuryDirect website.

Wall Street has its own lingo to describe how an auction went. When the yield is higher than expected? Investors call that a "tail." When it is lower, that is a "stop-through." Auctions that meet expectations are "on the screws."

Last month's 30-year auction had a massive tail by historical standards. Primary dealers bought nearly a quarter of the issuance, more than double their average. The previous 30-year auction also didn't go well.

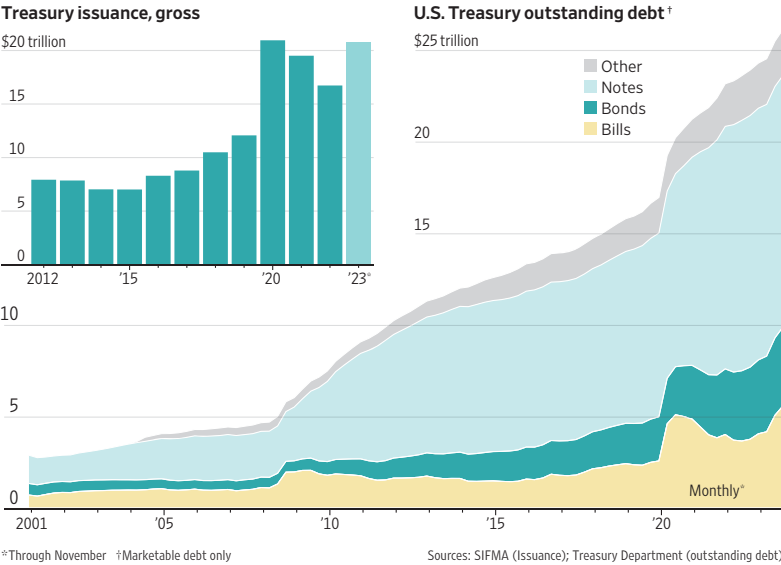
Few fear an outright auction failure. That is an unlikely scenario that analysts said could potentially kick off prolonged and catastrophic market turmoil.

Investors gauge demand at an auction by looking at the bid-to-cover ratio. That measures the size of buyers' orders—or bids—against how much money the Treasury is looking to raise. The higher the ratio, the better. There are always enough buyers. The worry is that they will demand elevated payouts.

Enthusiasm for longer-term bonds has waned. After long-term yields rose to 5%, the Treasury Department decided to sell fewer than analysts expected. Instead, it chose to continue pumping out Treasury bills at a pace typically associated with recessions or extraordinary borrowing needs: more than half of all issuance. T-bills are much less volatile because they come due so quickly.

The government has been advised to maintain T-bills at around 15% to 20% of the overall debt load. As of the end of November, bills make up 21.6% of the \$26.3 trillion of U.S. debt.

Many analysts expected a return to typical bill issuance levels this year. The Treasury Department issued \$824 billion of T-bills from July to September, the majority of its \$1.01 trillion borrowing spree.



Much of that issuance was used to quickly refill the government's coffers after Congress finally raised the debt ceiling.

Now the Treasury Borrowing Advisory Committee suggests that the government be mindful that demand for its debt is waning and consider exploring "if more meaningful deviations are necessary."

Investors were so encouraged by the borrowing plans that they scooped up stocks and bonds, propelling markets higher. The stock market prefers this approach right now because prices of longer-term bonds are more sensitive to changes in interest rates. "We're getting lower bond issuance than we expected, meaning there's pressure off bonds in the near term," said Andy Constan, chief executive of Damped Spring Advisors, a consulting firm for macro hedge funds. "But the federal deficit isn't going away. Quantitative tightening isn't going away. Those are things which need to be financed—which requires bonds."

"The longer they wait, the bigger the issue becomes," he said.

That leaves the Treasury at a crossroads. It can issue more long-term debt and lock in high borrowing costs for years. Or it can stick with short-term Treasury bills and promote risk taking on Wall Street. For now, it is opting for the latter.

Wall Street has a limited capacity for how much risk it can take. Bonds sap some of that risk budget. But because T-bills are effectively treated like cash, absorbing bills rather than bonds gives investors more room to buy riskier assets such as stocks.

Many worry the flood of long-term bonds is outstripping demand for them. Bond yields surged this summer after the Treasury surprised Wall Street by announcing it would borrow roughly \$1 trillion in the year's third quarter, more than a quarter trillion dollars above previous expectations.

Some analysts say that the Treasury's new plan just kicks the can down the road, exchanging calm today for the risk of resurging inflation and

market pain later.

"Increasing bill issuance effectively stimulates the economy by pumping markets higher," said Stephen Miran, co-founder of asset manager Amberwave Partners and a former senior adviser to the U.S. Treasury, where he assisted with the Covid-19 response. "The inflation genie is out of the bottle, and stoking easier financial conditions

isn't going to help put it back in."

Many of the investors who were betting bond yields would go higher as prices fell were forced to quickly exit those trades as yields sank, according to Miran. He said that reversal has helped bond prices rally alongside encouraging inflation prints showing that price pressures are subsiding.

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**The Hunt for EV Battery Minerals Expands to Ocean Floor and Space**

The race to find new deposits of lithium and nickel for EV batteries is driving miners to explore the ocean floor and even space. Scan this code for a video on the new frontiers of EV battery mining.

BUSINESS NEWS

# French Packaging Law Vexes McDonald’s

Fast-food chain worries EU will copy law mandating a shift to reusables

By SAABIRA CHAUDHURI

PARIS—A **McDonald’s** on a buzzy boulevard here offers a glimpse of what the future of serving fast food could look like. The burger giant doesn’t like what it sees.

For those dining in, french fries are served in durable red containers, soda is dispensed into clear washable glasses and chicken nuggets come in hard plastic white bowls. When customers are finished eating, they are asked to drop the containers into a bin to be washed, dried and reused.

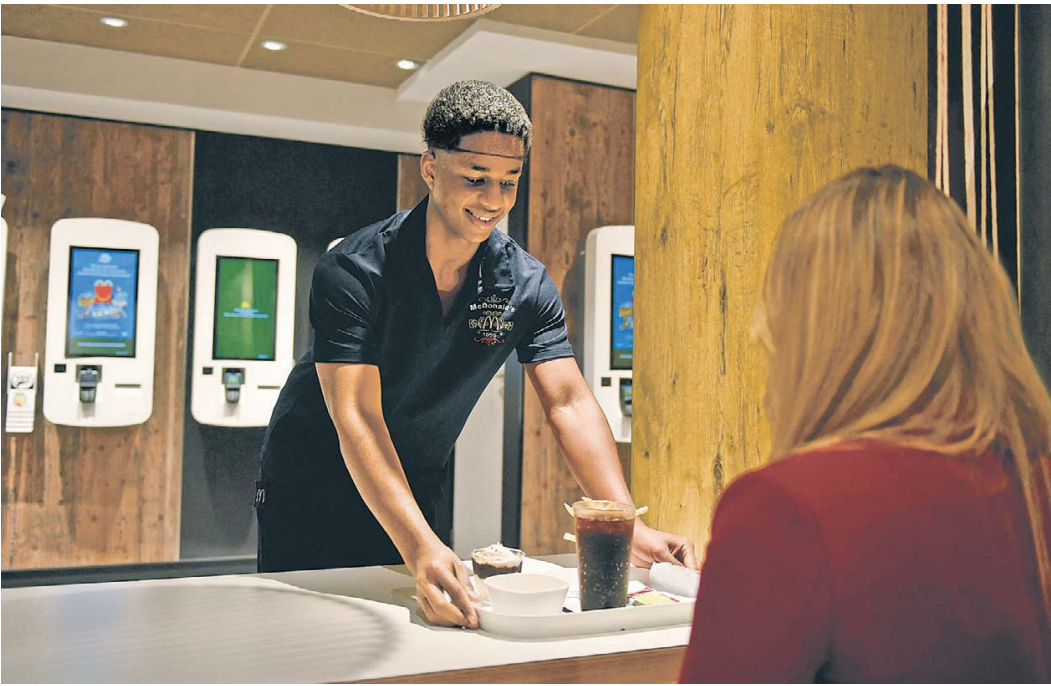
The assortment of 21 variously sized reusable cups, bowls and fry sleeves are a world first for McDonald’s, which since its inception has used disposable packaging to keep food moving quickly and utility and labor costs low.

The new containers have been introduced to comply with a French law aimed at reducing waste that has compelled the burger giant and other fast-food restaurants to serve dine-in orders in reusable containers.

The law has proved costly and complex for McDonald’s to comply with, and some of its restaurants have yet to meet a year-end deadline that is rapidly approaching. But McDonald’s biggest worry is that France could serve as an example for other countries.

‘This doesn’t work.’

“We don’t want France to be the template because we strongly believe that this doesn’t work,” said Serge Thines, the company’s head of international government relations, who argues that reusable packaging is inconvenient for consumers and worse for the environment than disposables.



Reusable cups and bowls are a first for the fast-food chain, which since its inception has depended on disposable packaging.

McDonald’s is up against proposed laws mandating reusables or banning single-use plastic packaging in a string of other countries including Portugal, Sweden and Poland. It has had to comply with laws in Germany and the Netherlands by offering reusable cups to consumers who request them and pay a deposit.

In the U.S., a shareholder advocacy group has seized on McDonald’s experience in France to press the company to consider the merits of rolling out reusables stateside.

Thines spent much of the past year arguing McDonald’s view ahead of a vote on a proposed European Union-wide law that would have required fast-food restaurants to offer reusable containers for dine-in customers and set up a system to wash and dry them.

Last month the proposal was voted down by European lawmakers amid fierce indus-

try opposition. Instead, the European Parliament voted that businesses that serve food must offer consumers the option to bring their own refillable containers for takeaway orders, and must provide reusable cups for customers to take away and return to be cleaned. The measures aren’t final.

Rather than switch to reusable cups and bowls, McDonald’s has been working to find alternatives to single-use plastic, such as trialing plastic-free cups, and is emphasizing to lawmakers that it mainly uses paper food packaging. But environmentalists and recycling industry executives say moving from single-use plastic to paper—which when used for food is hard to recycle—shifts rather than solves waste problems.

At the three-story restaurant on the Boulevard de la Madeleine in central Paris, some 1,000 customers come

through the doors each day, about 80% of whom dine in.

On the second floor, McDonald’s has installed a powerful dishwasher that cleans dishes in two minutes and a dryer that is just as quick. Wall charts remind workers of the correct bowl or cup for each menu item.

After the industry argued that burgers and sandwich containers are too bulky to replace with reusables, France made an exemption allowing them to be sold in thin disposable wraps. Ketchup and other condiments are also exempt.

Separating trash

Rather than sweeping leftovers and packaging into the same trash can, customers dining in are asked to empty liquids into one hole and scrape food into another. There is a third hole for the exempt disposable packaging and a fourth

for the reusable containers.

McDonald’s says its return rate for reusable containers in France is over 92% and the containers are used on average 29 times before being damaged, thrown away or taken.

The company says a broader shift to reusable containers would increase plastic packaging waste and greenhouse-gas emissions. By contrast, nonprofit Zero Waste Europe says reusable systems are still fledgling, and could save on emissions when more developed.

The French law doesn’t apply to takeout orders, which make up the bulk of the fast-food sector’s sales. However, some environmentalists advocate switching to reusables for takeout, too. Next month, a trial in Denmark will see customers pay a deposit to use standardized containers intended to be returned to common locations in city centers

to be washed and reused across the industry.

In the individual European countries looking to mandate reusables, McDonald’s is lobbying to keep using paper packaging, which it says can be recycled. “We are for recycling, we believe that recycling works,” says Thines.

Recycling difficulty

While plastic-lined paper cups can be recycled when collected separately, recycling paper used for food is particularly challenging. People eating at quick-service restaurants often dispose of packaging and food in one go, and are loath to spend time scraping leftovers out of packaging, says McDonald’s.

Paper mills have a “very, very low tolerance” for pieces of leftover food because it can hurt the quality of their product, said Timothee Duret, U.K. head of sustainable technology **Veolia**, which advises McDonald’s on waste. “That’s a lesson learned by fast-food chains that wanted to go away from plastic,” Duret said. “It’s creating new challenges.”

Moreover, paper made to contain food or drink is often combined with plastic or chemicals to make it water or grease resistant. The combination of materials poses another challenge for recycling plants.

Paper from McDonald’s restaurants can’t be recycled to make new packaging that comes into contact with food because laws in many countries prohibit this for health and safety reasons.

Even as McDonald’s fights against a broader adoption of reusable containers, it has widely featured them in social-media marketing in France.

“A restaurant like no other, dishes like no other,” read a post in French on X, formerly Twitter, featuring photos of the new containers soon after they launched. “No more excuses not to celebrate Valentine’s Day at McDonald’s,” read another.

# Disney Is Dealt a Setback In California Pay Lawsuit

By ROBBIE WHELAN

A California judge on Friday granted class certification to an ongoing pay-equity lawsuit against **Walt Disney**, setting the stage for a jury trial next year over claims that it paid women less than their male counterparts.

The suit, originally filed in 2019 by Disney employee LaRonda Rasmussen, alleges that “Disney systematically pays women in California less than men” in various divisions of the company and claimed that the entertainment giant had violated two state labor laws aimed at preventing workplace sex discrimination.

Judge Elihu Berle of the Superior Court of Los Angeles County ruled Friday that one set of claims under California’s Equal Pay Act, which affect 8,900 women who worked for Disney, could go forward as a class action. The judge declined to certify a separate claim under the state’s Fair Employment and Housing Act that would have affected around 12,000 women.

A Disney spokesman said, “We are disappointed with the court’s ruling as to the Equal Pay Act claims and are considering our options.” The company has previously disputed



The suit says Disney paid women in the state less than men.

the claims in the case and said data in the suit are inaccurate.

Disney had argued that because pay rates are set by hundreds of managers across different divisions of the company, and because many jobs with similar titles require different tasks, any claim of sex discrimination must be adjudicated individually.

The judge’s ruling means that if the case goes to trial, Rasmussen and the other plaintiffs will have a chance to prove to a single jury that Disney’s pay practices are discriminatory across the whole class of employees.

“The judge just was not

buying it,” lead plaintiff’s attorney Lori Andrus said of Disney’s argument. The ruling “puts the burden on [Disney] to explain why each woman was paid less, to explain each and every pay disparity as due to something other than gender and unconscious bias against women,” she said.

Initially, the suit alleged that Disney had underpaid women by \$151 million over the course of a decade, relative to men of similar job descriptions and skill sets.

That sum was based on damages calculated under the Fair Employment and Housing Act.

# SmileDirectClub to Shut Down

By ALEXANDER GLADSTONE

**SmileDirectClub**, the startup once valued at \$8.9 billion as it set out to disrupt the orthodontics industry, said Friday that it would wind down global operations, effective immediately.

SmileDirectClub said its aligner treatment is no longer available through its telehealth platform and that customer care support is no longer available, but that it expects customers on its SmilePay plan to keep making all monthly payments until

payment has been made in full.

The company’s Lifetime Smile Guarantee no longer exists. “Thank you for your support and letting us improve over 2 million smiles and lives,” SmileDirectClub said.

For customers seeking a refund, the company said that more information will come “once the bankruptcy process determines next steps and additional measures customers can take.”

SmileDirectClub entered chapter 11 in September, succumbing to weakening sales

and mounting lawsuits. The company at first aimed to pursue a sale process that would keep it intact as a going concern, though the effort failed.

SmileDirectClub has been in a legal struggle with its competitor and former minority investor, **Align Technology**.

A California state court ruled in May that SmileDirectClub had to pay Align \$63 million for violating supply agreements between the two companies.

—Alexander Saeedy contributed to this article.

Buy Side

FROM WSJ

EXCLUSIVES









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TECHNOLOGY

# Tesla Launch Underwhelms

Cybertruck event leans on influencers for publicity, but gets mixed response

By Tim Higgins

The early reviews of the Cybertruck are in, and Elon Musk was wrong if he thought his powerful influencer army would give **Tesla** a pass on missing the mark.

He had promised the year’s “biggest product launch” for the electric-vehicle company’s “best product ever.”

Typically, a vehicle launch is all about maximizing media coverage—free exposure to potential buyers. That is, except if you are Musk. Tesla has whittled down the number of journalists invited to its events, as Musk, the chief executive, bets he can get his message directly to customers unfiltered.

For the Cybertruck launch, that meant mainstream news outlets barred from the building, no press photos and minimal media test drives.

Instead, Tesla turned to social-media influencers. They told the world about the sci-fi-inspired electric truck designed to compete with sports cars for quickness and work trucks for ruggedness.

The launch event was extreme, even for Musk. It



The Cybertruck’s price came in higher than previously announced, irking some influencers.

seemed made for X, the social-media company Musk now owns. Held at Tesla headquarters in the Austin, Texas, area, it was streamed live on the platform and was stocked with enthusiastic X users posting about seeing the Cybertruck up close.

Deliveries to early customers at the Nov. 30 event marked the first time they could get close to the production version of the vehicle, announced four years ago.

Influencers who attended the launch event expressed confusion over the ultimate

range between charges complained about the price. The cheapest version, not available until 2025, will go for around \$20,000 more than the originally announced \$39,900. The most expensive jumped in price to about \$100,000 from the previous target of \$69,900.

“It’s definitely not the truck to end all trucks that Tesla was hyping it to be,” Zack Nelson told his followers during a video posted on his YouTube channel.

Alexis Ohanian, co-founder of Reddit, posted videos on X

of himself taking possession of a Cybertruck. “Initial feeling about this vehicle: smooth, it smells nice, it is big but not unwieldy,” he said in a video post.

Tesla didn’t totally abandon tradition. A few journalists from the car-enthusiast outlets Top Gear and Hagerty were given access so they could film slick videos.

Influencers who weren’t given test drives were left filming themselves, some talking about the Cybertruck’s misses—even if they still expressed love for Musk.

## State Bets \$1 Billion On VinFast

*Continued from page B1*

cording to Atlas Public Policy, a data provider. Some of the companies receiving benefits are, like VinFast, relatively new and unproven.

Even as new factories are going up, automakers have noted cooling consumer demand for EVs, which tend to be more expensive than conventional cars. Carmakers including Tesla have slashed prices, while GM and **Honda** ditched a partnership to produce low-price EVs.

### Subsidizing risk

Critics of industrial policy warn that government subsidies encourage risky investments, and taxpayers are on the hook. In the past, the U.S. government has backed ambitious projects such as Solyndra, a domestic solar-panel manufacturer, which went bankrupt in 2011 after receiving more than \$500 million in federal loans.

VinFast hasn’t received federal loans but it is benefiting from state and county incentives that include grant payments and several hundred million dollars of state money to improve roads and infrastructure near its new factory site, which will require either relocating or demolishing a historic church in the process.

Cooper told The Wall Street Journal that he was confident in VinFast’s commitment to the factory in Chatham County and that North Carolina has become the epicenter of the clean-energy economy.

Chief Executive Thuy Le said VinFast is confident it will gain traction in what it considers a key market.

“The U.S. in general loves an underdog story,” she said. Problems highlighted in the reviews about its cars have largely been addressed, VinFast said.

One advantage VinFast has as it expands in North America is that it isn’t Chinese. While more-established Chinese EV marques such as BYD are becoming global players, most haven’t launched passenger vehicles in the U.S., warded off by high import taxes and rising tensions between the two countries.

VinFast has been welcomed by U.S. politicians from both parties, with Vietnam considered a close trade partner. When Biden visited Vietnam in September to announce an upgrade in ties, he briefly met with Thuy.

### Room to grow

The company says it can cheaply export using Vietnam’s web of free-trade agreements with markets such as the European Union. The company currently sells its vehicles in the U.S., Canada and Vietnam, and says it will soon be selling in the EU.

Even at home, sales are modest. Around 60% of its vehicle sales in the first six months of this year were to an EV-rental and taxi-services company founded by Vuong, according to its filings. Other sales relied on discount vouchers given to residents of Vin-group properties.

David Mansfield, VinFast’s chief financial officer, said the company isn’t concerned about demand. The company’s factory has a stated capacity to produce up to 300,000 electric vehicles annually, but the company expects to produce 40,000 to 50,000 cars this year. Car sales to the taxi unit had been prioritized over other orders to promote the company’s EVs in Vietnam.

“We want to have as many of those visibly, positively driving around Hanoi as quickly as we possibly can,” he said.

**Critics warn government subsidies encourage risky investments.**

# Carlson Starts His Own Streaming Service

By Isabella Simonetti and Keach Hagey

Tucker Carlson is launching his own subscription streaming service, people familiar with the matter said, the former Fox News host’s official foray into paid content after months of posting videos on X.

The service, Tucker Carlson Network, was expected to go live on Monday, the people said. It will be home to at least

five different shows by midweek, they said, including interviews, short-form videos and monologues.

Tucker Carlson Network, whose logo resembles a red pill, will cost \$9 a month—or \$72 a year—and will initially be solely available through Carlson’s website, they said. Some of the content will be available without a subscription and will be ad-supported, while some interviews and monologues will



be available exclusively to subscribers, who will have access to that content without ads.

Carlson launched a show on X in the spring, shortly after his acrimonious exit from Fox News. All his shows were posted as videos on the platform and were available without a subscription, including an interview with former President and current presidential candidate Donald Trump that was released at the same time





as the first Republican primary debate, which Trump had skipped.

Carlson and his team explored launching TCN through X, but the company wasn’t able to move quickly enough to build out the technology they needed to run a subscription service, the people said. X declined to comment.

Fox News’s owner and The Wall Street Journal’s parent share common ownership.




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Artificial

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TECHNOLOGY

Cybersecurity Provider Dragos To Give Tools to Small Utilities

Operators with less than \$100 million in annual sales will be eligible

By James Rundle

Cybersecurity company Dragos said it would provide free security software to small water, natural-gas and electric utilities in the U.S., as a string of recent cyberattacks has drawn attention to weak defenses at critical infrastructure operators.

Dragos will provide tools for threat detection and hunting, vulnerability man-

**CYBERSECURITY** agement and threat intelligence free of charge to utilities with less than \$100 million a year in revenue, said Robert Lee, the company's chief executive. The Community Defense Program also includes membership in OT-CERT, an information and threat intelligence sharing group for industrial cybersecurity, operated by Dragos. "Everybody community-wide, including governments, has been talking about how the small infrastructure pro-



The Municipal Water Authority of Aliquippa in Pennsylvania was breached, targeting Israeli-manufactured equipment.

viders just don't have the resources to do the cybersecurity work that we would like, and it really comes down, usually, to economics," Lee said. A pilot of the program was launched in 2022 following Russia's invasion of Ukraine, in which Dragos provided software to 30 U.S. organizations in light of threats stemming from the conflict. Recent events highlight some of the dangers smaller utilities face. In late November, the North Texas Municipal

Water District was struck by ransomware, and the Municipal Water Authority of Aliquippa in Pennsylvania was breached by hackers targeting Israeli-manufactured equipment. Neither attack resulted in disruptions to the water supply for their respective areas. The Cybersecurity and Infrastructure Security Agency issued an alert shortly after the attacks, warning of software vulnerabilities in certain technology that is widely used

by heavy industry operators such as water plants. Weak security in the water supply has been an area of focus for the government for some time. An incident in February 2021 at a water plant in Oldsmar, Fla., in which a hacker reportedly increased the levels of lye in drinking water to dangerous levels before being spotted by an employee, brought the issue to national attention. Despite this, recent efforts to strengthen cyber standards in the sector have faltered. Regulations issued by the Environmental Protection Agency would have forced water utility operators to include cybersecurity in periodic hygiene assessments but were strongly opposed by the industry. The agency withdrew them in October after challenges from trade associations, lawmakers and state attorneys general in Iowa, Arkansas and Missouri.

WSJ PRO CYBERSECURITY wsj.com/pro/cybersecurity

Boeing Set To Tap Heir To the CEO

Continued from page B1 ing stints as the finance chief of both the commercial airline business and services unit, which she helped form. The services unit, which she took over in 2022, generates about a quarter of the company's revenue and is the only unit making a profit.

Boeing's board met in recent days to discuss top executives that could eventually succeed Calhoun. Also in the running were the company's finance chief Brian West and commercial chief Stan Deal. West and Deal will remain with the company. Deal ushered the commercial unit through the 737 MAX crisis, but is the oldest of the three executives. West, CFO since 2021, is respected on Wall Street and a relative newcomer to Boeing. He previously was CFO of financial-information provider Refinitiv. Calhoun, a Boeing board member since 2009, took over

as CEO following the ouster of Dennis Muilenburg in late 2019. Under Calhoun, the MAX returned to service following an extended grounding, but a number of other key projects have faced lengthy delays. Boeing shares have rallied nearly 30% this year and closed last week around \$245, near their 52-week high. The stock is still down more than 40% from its record high of \$440 set in March 2019. The Covid-19 pandemic led to a steep decline in orders for new planes before demand sharply recovered, leaving its factories scrambling to make enough planes to cater to de-

mand for postpandemic travel. In recent months quality issues at suppliers have stymied those efforts, though the company has said it expects to begin meeting production targets by the end of this year. The company said in October that it expects to substantially increase production by the end of the year, and analysts have said in recent weeks that it appears the company succeeded in doing so. In a regulatory filing earlier this year, Boeing said decisions by Calhoun about the management of the new 777X jetliner contributed to delays in that program.

THE TICKER MARKET EVENTS COMING THIS WEEK

<b>Monday</b> <b>Short-selling reports</b> Ratio, days of trading volume of current position, at Nov. 15 NYSE 4.1 Nasdaq 2.7 <b>Earnings expected</b> Estimate/Year Ago Casey's General Stores 3.80/3.67 1.33/1.21 <b>Tuesday</b> <b>Fed two-day meeting begins</b> <b>Consumer price index</b> All items Oct. up 3.2% Nov., expected up 3.0% Core Oct. up 4.0% Nov., expected up 4.0% <b>Treasury budget</b> Nov., '22 \$249 bil. deficit Nov., '23, exp. \$250 bil. deficit <b>Earnings expected</b> Estimate/Year Ago Johnson Controls Intl. 1.10/0.99 <b>Wednesday</b> <b>Fed rate-policy meeting</b> Target rate 5.25%-5.50%	<b>EIA status report</b> Previous change in stocks in millions of barrels Crude oil down 4.6 Gasoline up 5.4 Distillates up 1.3 <b>Mort. bankers indexes</b> Purch., previous down 0.3% Refinan., prev. up 14.0% <b>Producer price index</b> All items Oct. down 0.5% Nov., expected up 0.1% Core Oct. up 0.0% Nov., expected up 0.2% <b>Earnings expected</b> Estimate/Year Ago Adobe 4.13/3.60 Nordson 2.40/2.44 <b>Thursday</b> <b>Initial jobless claims</b> Previous 220,000 Expected 220,000 <b>Import price index</b> Oct., previous down 0.8% Nov., expected down 0.9% <b>EIA report: natural gas</b> Previous change in stocks in billions of cubic feet down 117	<b>Retail sales, ex. autos</b> Oct., previous up 0.1% Nov., expected up 0.1% <b>Retail sales</b> Oct., previous down 0.1% Nov., expected down 0.1% <b>Freddie Mac mortgage survey</b> Previous weekly averages 30-year fixed 7.03% 15-year fixed 6.29% <b>Business inventories</b> Sept., previous up 0.4% Oct., expected up 0.0% <b>Earnings expected</b> Estimate/Year Ago Costco Wholesale 3.40/3.07 Jabil 2.58/2.31 Lennar 4.60/4.55 <b>Friday</b> <b>Empire Manufacturing</b> Nov., previous 9.1 Dec., expected 3.5 <b>Capacity utilization</b> Oct., previous 78.9% Nov., expected 79.1% <b>Industrial production</b> Oct., previous down 0.6% Nov., expected up 0.2% <b>Earnings expected</b> Estimate/Year Ago Darden 1.73/1.52
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Costco is scheduled to report quarterly results on Thursday. Analysts expect a profit of \$3.40 a share, up from last year.

\* FactSet Estimates earnings-per-share estimates don't include extraordinary items (Losses in parentheses) ♦ Adjusted for stock split Note: Forecasts are from Dow Jones weekly survey of economists



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TECHNOLOGY

# SEC Probes Investment Advisers’ AI Use

Sweep comes as agency Chair Gensler has repeatedly voiced skepticism

By RICHARD VANDERFORD

The Securities and Exchange Commission is asking investment advisers how they use and oversee artificial intelligence, as agency head Gary Gensler continues to express skepticism about the technology. The SEC’s examinations division has sent requests for information on AI-related topics to several investment advisers,

ARTIFICIAL INTELLIGENCE

part of a process known as a sweep. The agency wants details on topics including AI-related marketing documents, algorithmic models used to manage client portfolios, third-party providers and compliance training, according to one such letter obtained by Vigilant Compliance, a regulatory compliance consulting firm. Karen Barr, the head of the Investment Advisers Association, confirmed that her trade group has heard about the SEC outreach to advisers on the use and governance of AI. The agency’s exercise could be “extremely helpful as the commission considers policy issues relating to these emerging technologies,” she said. The existence of a sweep

doesn’t mean the agency suspects misconduct. An SEC spokesman said the agency’s examinations aren’t public and it doesn’t confirm or deny their existence. The scrutiny comes as some advisers contemplate the adoption of AI tools. **BlackRock** operates an AI research group co-headed by a former Google statistician and a Stanford University engineering professor. **Fidelity Investments** in August noted the “incredible potential” of AI in wealth management. **JPMorgan Chase** maintains an AI research team in New York to “advance cutting-edge research.” **Goldman Sachs** has said AI is poised to support investors and help them detect

trends and patterns. The SEC hasn’t publicized the sweep or its targets, and those advisers haven’t necessarily received demand letters. JPMorgan, Goldman and BlackRock declined to comment. Fidelity didn’t respond to requests to comment. The SEC continues to pursue an ambitious rule-making agenda that includes a focus on regulated firms’ use of AI. The agency in July proposed rules around the use of data analytics, including AI, which would require firms to neutralize any conflicts in which AI put the firm’s interests above a client’s. Other proposed rules also touch on AI. Typically, SEC examinations can be used to help bolster a

case for rule-making, said Chuck Martin, Vigilant’s chief operating officer. They also inform risk alerts sent out to firms, and in some cases, the information gathered in an examination can provide the basis for charges against a firm, Martin said. Gensler in his public comments has mused about potential harms that could emerge from the financial industry’s growing adoption of AI. He has warned repeatedly that AI could lead to a financial crisis. Gensler said that potential industry overreliance on a few leading AI providers could create financial instability and “drive us off an inadvertent cliff.” He also raised concerns of possible “AI wash-

ing,” or the practice of companies making puffed-up claims about their AI competence. The SEC regularly takes broad looks at the firms it regulates, but the new AI sweep is more targeted, said Amy Jane Longo, a partner in the litigation and enforcement practice at law firm Ropes & Gray. “It is generally targeting fairly detailed information about firms’ use of artificial intelligence,” she said.

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 wsj.com/tech/ai/

# Wood Chips Offer New Route To Make Graphite

By RHIANNON HOYLE

ADELAIDE, Australia—Ivan Williams reckons he can help break China’s dominance of a key ingredient of electric-vehicle batteries. To do so, he has been collecting wood chips from sawmills around the world. At a test plant in New Zealand’s picturesque Marlborough wine region, Williams and his team feed the wood chips into machines that turn out a form of synthetic graphite. He says the engineered material is as pure as synthetic graphite made from fossil fuels, which is mostly produced in China and can account for as much as half the weight of a lithium-ion battery. That puts the company run by Williams, CarbonScape, on the front line of efforts by developed countries to reduce reliance on China for critical minerals that power the energy transition. Graphite has been designated a critical mineral in the U.S. and the European Union, where officials hope to encourage more mined production locally by helping finance new projects. “Our mission is to decarbonize the battery industry,” said Williams, who believes the technology can be used anywhere with enough wood scraps. “That solves some other problems, too, including localizing supply chains.” China sent shock waves through battery metals markets in October when it said it would tighten export controls on graphite, citing national-security concerns. The country is estimated to produce 60% of the world’s natural graphite, mined from the earth, and 69% of synthetic graphite. It refines nearly all of the very pure graphite used in lithium-ion batteries.

China’s strengthening of export controls was a reminder of the vulnerability of commodity markets to geopolitical tensions, already illustrated by swings in prices of crude oil, natural gas and wheat due to the Ukraine war. Beijing’s decision to require export permits for some graphite products from Dec. 1 came days after the U.S. tightened restrictions on Chinese companies’ access to semiconductors. Finding alternative supplies of key commodities isn’t easy. It can take years to build a mine, particularly in developed countries with strict permitting processes. Promising technology can be untested at a large scale, and developers often need funds to expand. Government support can be vulnerable when a new leader takes power. In battery technology, innovation is happening in ways that could redraw the outlook for graphite demand, which the International Energy Agency estimates could rise by as much as 25 times in the two decades through 2040. Some companies are trying to produce batteries that use less or no graphite at all. Japan’s **Toyota Motor** and oil company **Idemitsu Kosan** plan to work together to advance mass production of solid-state batteries for electric vehicles, in which graphite could be replaced with lithium metal. CarbonScape’s technology caught the eye of European forestry products company **Stora Enso**, which invested \$18 million in the company for a stake of around 15%. That deal opened up a supply line, and Stora Enso has already delivered some Nordic wood samples for testing at CarbonScape’s New Zealand plant. To be successful, Carbon-



CarbonScape CEO Ivan Williams with the company’s synthetic graphite and some of the wood chips it uses as feedstock.

Scape needs to overcome some skepticism about its technology and whether it can compete with other forms of graphite on cost. Adam Best, a principal research scientist at Australia’s Commonwealth Scientific and Industrial Research Organisation, or CSIRO, said he doesn’t consider biomass to be an efficient way to make graphite because of the amount of wood chips that would be needed. He wasn’t referring directly to CarbonScape’s process. “We do see natural graphite as a more sustainable option,” he said, highlighting recycling graphite from used batteries as another possible source of future supply. Today, CarbonScape takes leftovers from timber making, but Williams believes it could also make use of so-called slash—the waste branches and other unwanted wood left in forests during logging. The wood chips are heated using a process known as pyrolysis to create biochar, a carbon-rich material that is then milled and converted to a raw form of graphite. That is purified and coated to get the quality needed for battery anodes.



CarbonScape says it can make one metric ton of synthetic graphite from seven tons of dry wood chips. Williams said CarbonScape has been developing the technology since 2016 and can reliably produce synthetic graphite. The performance of CarbonScape’s anode material has been verified by some battery makers, including Ampere Technology, or ATL, which is owned by Japan’s **TDK** and is an investor in the company. “However, the biggest benefits of CarbonScape’s bio-

graphite isn’t in superior performance but reduction in carbon footprints,” said Joe Kit Chu Lam, ATL’s executive vice president. Graphite made from fossil fuels requires a lot of energy because it is cooked at 3,000 degrees Celsius during processing and creates greenhouse gases and fine particles that are harmful to human health, said CSIRO’s Best. The cost of producing synthetic graphite from wood using CarbonScape’s technology is competitive with making it

from fossil fuels, said Williams, without providing detailed figures. Temperatures required to create graphite from wood chips are lower, and the process takes hours rather than weeks, he said. CarbonScape aims to select a site for its first commercial plant soon. It is looking in Europe, while also considering southeastern U.S. states, where there are large timberlands and electricity prices are attractive, Williams said. A commercial plant would typically produce closer to 10,000 tons of synthetic graphite annually, significantly bigger than CarbonScape’s 5-ton pilot operation. Unlike fossil fuels, biomass is a form of renewable energy—though critics of biofuels say they can lead to deforestation and question the way emissions are counted. CarbonScape’s process emits some carbon dioxide but, as a whole, is carbon neutral at worst, according to Williams. The use of logging waste could play a role in maintaining forests, he said, an increasing priority of some governments as wildfires grow more intense due to climate change.

# Dealers Say EVs Are a Hard Sell

Continued from page B1 counts and lower interest-rate deals in an effort to juice demand. But it hasn’t been enough, because buyer reticence extends beyond the price tag, dealers say. “I’m not hearing the consumer confidence in the technology,” said Mary Rice, dealer principal at Toyota of Greensboro in North Carolina. “People aren’t beating down the door to buy these things, and they all have a different excuse why they aren’t buying one.” Customers cite concerns about vehicles burning through a battery charge faster in cold weather or not being able to travel as far as they expected on a single charge, dealers say. Potential buyers also worry that chargers aren’t as readily accessible as gas stations or might be broken. Franchise dealerships fear that the push to roll out new models will inundate them with hard-to-sell vehicles. Research firm S&P Global Mobility said there are 56 EV models



Vehicle range and charger availability are among the reasons for consumer hesitancy.

for sale in the U.S. this year, and the number is expected to nearly double to 100 next year. “I start to think, you know maybe we should just all pump the brakes a little bit,” Rice said. A group of dealers expressed their concerns about the government’s role in pushing electric vehicles in a letter last month to President Biden. A **Toyota Motor** spokesman said the majority of dealers have become “increasingly more confident in their ability

to sell Toyota EV products.” At Ford, the company’s electric-vehicle sales are rising, including for its F-150 Lightning pickup, but demand isn’t evenly spread across the country, according to a spokesman. Dealers say that after selling an EV, they sometimes hear complaints about charging and the vehicles not always meeting their advertised range. In some cases, customers seek to return them to the dealer shortly after buying them. “We have a steady number

of clients that have attempted to or flat out returned their car,” said Sheehy’s LaRochelle. While EVs remain a small but rapidly expanding part of the new-car market, the pace of growth has slowed this year. Electric-vehicle sales increased 48% in the first 11 months, compared with a 69% jump during the same period in 2022, according to Motor Intelligence. Sales remain concentrated in a few states, with California accounting for the largest chunk, S&P Global Mo-

bility data found. The cooling growth has raised broader questions in the industry about whether car companies face a temporary hurdle or a longer-term demand challenge. Auto makers have invested billions of dollars to bring more EV models to the market, and many analysts and car executives say they remain optimistic that sales will continue to expand. “Although the rate of growth has slowed recently, EV demand is clearly moving in the right direction,” said **General Motors** Chief Executive Mary Barra on a recent conference call with analysts. A combination of more affordable model options and better charging infrastructure would help encourage more people to buy electric vehicles, she said. There are also varying views within the dealer community about how quickly buyers will adopt the technology. In hot spots for electric-vehicle demand, such as Los Angeles, dealers say their battery-powered models are some of their top sellers. Those popular EV markets also tend to have more mature public charging networks. Selling an electric car or truck outside of those demand centers is proving more difficult. Longtime EV owner Car-

mella Roehrig thought she was ready to go full-electric and sold her backup gasoline vehicle. But after the 62-year-old North Carolina resident found herself stranded last year in a rural area of South Carolina, she changed her mind. Roehrig’s **Tesla** Model S got a flat tire, but none of the stores in the area carried tires for a Tesla. She ended up paying a worker at a nearby shop to drive her home. Roehrig still has her Tesla but bought a pickup truck for long road trips. Tesla didn’t respond to a request for comment. “I have these conversations with people who say we’ll all be in EVs in 15 years. I say: ‘I’m not so sure. I’ve tried to do it,’” Roehrig said. “I think you need a gas backup.” Customers who want to ditch their gas vehicle for environmental reasons are sometimes hesitant, said Mickey Anderson, president of Baxter Auto Group, which owns dealerships in Kansas, Nebraska and Colorado. “We’re in the Colorado Springs market. If this is your sole mode of transportation, and you’re in a market in extremes of elevation and temperature, the actual range is very limited,” Anderson said. “It makes it extremely impractical.”



Everyone’s talking about the latest-greatest leap in AI – Generative AI. The news can’t stop buzzing about it. The pundits can’t stop debating it. The Street is fawning over it. And the board is clamoring for it. Buckle up. The hype machine is in overdrive.

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# MARKETS DIGEST

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36247.87▲2.37, or 0.01% last week

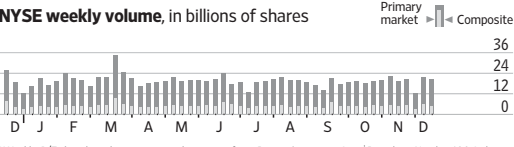
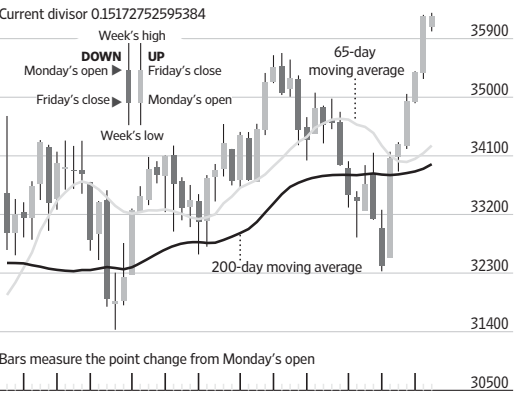
High, low, open and close for each of the past 52 weeks

Trailing P/E ratio 26.24 20.83

P/E estimate \* 19.87 18.46

Dividend yield 2.05 2.08

All-time high 36799.65, 01/04/22



\*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc.; \*Based on Nasdaq-100 Index

## Major U.S. Stock-Market Indexes

	High	Low	Latest Week Close	Net chg	% chg	Low	52-Week Close (●)	High	% chg YTD	3-yr. ann.
<b>Dow Jones</b>										
Industrial Average	36296.20	36010.85	<b>36247.87</b>	2.37	0.01	31819.14		36247.87	8.3	9.4
Transportation Avg	15573.81	15154.84	<b>15211.06</b>	-252.70	-1.63	13298.36		16695.32	10.5	13.6
Utility Average	885.02	863.94	<b>874.02</b>	-1.99	-0.23	783.08		1002.11	-10.3	-9.7
Total Stock Market	45974.75	45337.30	<b>45923.28</b>	118.11	0.26	37910.34		45969.67	16.4	19.2
Barron's 400	1016.36	999.02	<b>1013.26</b>	3.75	0.37	881.58		1036.97	8.3	10.1
<b>Nasdaq Stock Market</b>										
Nasdaq Composite	14416.92	14058.52	<b>14403.97</b>	98.94	0.69	10213.29		14403.97	30.9	37.6
Nasdaq-100	16100.86	15695.58	<b>16084.69</b>	87.11	0.54	10679.34		16084.69	39.1	47.0
<b>S&amp;P</b>										
500 Index	4609.23	4546.50	<b>4604.37</b>	9.74	0.21	3783.22		4604.37	17.0	19.9
MidCap 400	2648.06	2603.00	<b>2632.09</b>	6.51	0.25	2326.82		2728.44	6.6	8.3
SmallCap 600	1224.95	1196.76	<b>1220.21</b>	15.69	1.30	1068.80		1315.82	2.8	5.4
<b>Other Indexes</b>										
Russell 2000	1888.72	1848.78	<b>1880.82</b>	18.18	0.98	1636.94		2003.18	4.7	6.8
NYSE Composite	16272.93	16081.78	<b>16207.76</b>	-55.99	-0.34	14599.05		16427.29	6.0	6.7
Value Line	561.95	553.22	<b>560.24</b>	1.11	0.20	498.09		606.49	2.3	4.5
NYSE Arca Biotech	5010.71	4904.96	<b>4956.27</b>	32.70	0.66	4544.40		5644.5	-5.0	-6.2
NYSE Arca Pharma	892.68	873.96	<b>884.19</b>	-1.71	-0.19	791.91		925.61	2.2	1.9
KBW Bank	88.95	86.27	<b>88.63</b>	1.38	1.58	71.71		115.1	-11.8	-12.1
PHLX <sup>®</sup> Gold/Silver	123.77	116.90	<b>118.09</b>	-7.71	-6.13	103.31		144.37	-1.5	-2.3
PHLX <sup>®</sup> Oil Service	82.68	77.33	<b>79.01</b>	-3.719	-4.50	69.29		98.76	5.2	-5.8
PHLX <sup>®</sup> Semiconductor	3791.60	3638.73	<b>3774.17</b>	35.90	0.96	2453.49		3861.63	38.7	49.1
Cboe Volatility	13.76	12.35	<b>12.35</b>	-0.28	-2.22	12.35		26.52	-45.9	-43.0

§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

## S&P 500 Index

4604.37▲9.74, or 0.21% last week

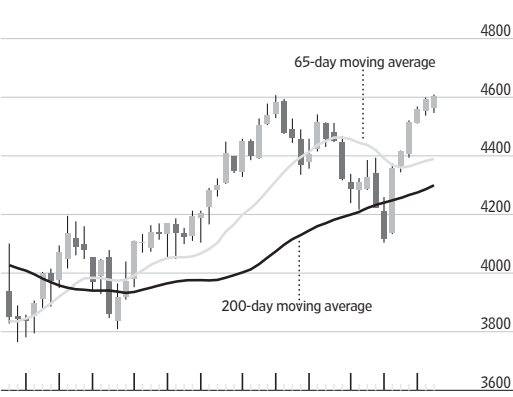
High, low, open and close for each of the past 52 weeks

Trailing P/E ratio \* 20.43 19.18

P/E estimate \* 20.41 17.95

Dividend yield \* 1.52 1.69

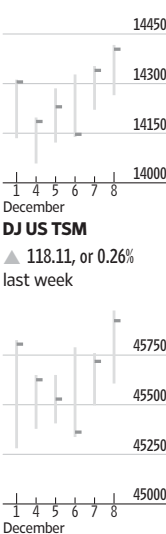
All-time high 4796.56, 01/03/22



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## Nasdaq Composite

▲ 98.94, or 0.69% last week



## International Stock Indexes

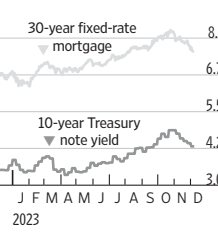
Region/Country	Index	Close	Latest Week % chg	Low	52-Week Close	High	YTD % chg
<b>World</b>							
	MSCI ACWI	698.32	0.12	599.97		707.11	15.4
	MSCI ACWI ex-USA	302.04	-0.05	276.65		314.69	7.4
	MSCI World	3047.21	0.21	2575.16		3064.30	17.1
	MSCI Emerging Markets	975.01	-0.73	910.91		1052.46	1.9
<b>Americas</b>							
	MSCI AC Americas	1746.51	0.15	1436.41		1746.51	19.8
Canada	S&P/TSX Comp	20331.54	-0.59	18737.39		20767.38	4.9
Latin Amer.	MSCI EM Latin America	2479.23	-0.60	2043.57		2570.27	16.5
Brazil	BOVESPA	127093.57	-0.85	97926.34		128184.91	15.8
Chile	S&P IPSA	3355.62	1.43	3048.00		3629.67	5.8
Mexico	S&P/BMV IPC	54393.01	0.91	48197.88		55534.68	12.2
<b>EMEA</b>							
	STOXX Europe 600	472.26	1.30	424.18		472.26	11.1
	STOXX Europe 50	4064.68	1.12	3651.83		4079.60	11.3
Eurozone	Euro STOXX	472.46	1.97	409.90		472.46	15.2
	Euro STOXX 50	4523.31	2.37	3793.62		4523.31	19.2
Austria	ATX	3321.76	0.15	3020.72		3557.01	6.2
Belgium	Bel-20	3694.46	3.23	3290.68		3954.16	-0.2
France	CAC 40	7526.55	2.46	6450.43		7577.00	16.3
Germany	DAX	16759.22	2.21	13884.66		16759.22	20.4
Greece	Athex Composite	1275.09	-0.39	911.85		1345.95	37.1
Israel	Tel Aviv	1801.94	1.57	1605.20		1902.91	0.3
Italy	FTSE MIB	30403.90	1.59	23684		30404	28.2
Netherlands	AEX	781.85	1.36	689.01		794.27	13.5
Norway	Oslo Bors All-Share	1506.46	-0.98	1293.45		1537.61	10.6
Portugal	PSI 20	6567.11	0.61	5689.36		6609.90	14.7
South Africa	FTSE/JSE All-Share	73790.85	-2.53	69451.97		80791.36	1.0
Spain	IBEX 35	10223.40	0.81	8112.5		10223.40	24.2
Sweden	OMX Stockholm	863.55	2.66	753.35		886.59	10.4
Switzerland	Swiss Market	11071.77	1.69	10323.71		11595.25	3.2
U.K.	FTSE 100	7554.47	0.33	7256.94		8014.31	1.4
<b>Asia-Pacific</b>							
	MSCI AC Asia Pacific	161.08	-0.42	150.1		170.8	3.4
Australia	S&P/ASX 200	7194.90	1.72	6772.9		7558.1	2.2
China	Shanghai Composite	2969.56	-2.05	2939.29		3395.00	-3.9
Hong Kong	Hang Seng	16334.37	-2.95	16327.86		22688.90	-17.4
India	S&P BSE Sensex	69825.60	3.47	57527.10		69825.60	14.8
Japan	NIKKEI 225	32307.86	-3.36	25716.86		33753.33	23.8
Malaysia	FTSE Bursa Malaysia KLCI	1441.97	-0.99	1374.64		1500.33	-3.6
Singapore	Straits Times	3110.73	0.66	3053.36		3394.21	-4.3
South Korea	KOSPI	2517.85	0.51	2218.68		2667.07	12.6
Taiwan	TAIEX	17383.99	-0.31	14085.02		17438.35	23.0

Sources: FactSet; Dow Jones Market Data

## Consumer Rates and Returns to Investor

### U.S. consumer rates

A consumer rate against its benchmark over the past year



### Selected rates

30-year mortgage, Rate

Bankrate.com avg':	7.55%
Fidelity Bank Trust	6.25%
Dubuque, IA	563-557-2300
Community First Bank	6.38%
Boscobel, WI	608-647-4029
Community Bank and Trust	6.50%
Joplin, MO	800-397-5550
Farmers Bank	6.50%
Buhl, ID	208-734-1500
Liberty Bank for Savings	6.50%
Chicago, IL	888-542-2265

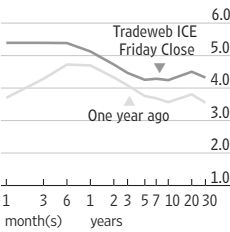
Interest rate	↓Yield/Rate (%)↗ Last (●) Week ago	52-Week Range (%) Low 0 2 4 6 8 High	3-yr chg (pct pts)
Federal-funds rate target	5.25-5.50	3.75	5.25
Prime rate*	8.50	8.50	8.50
SOFR	5.32	5.33	5.39
Money market, annual yield	0.48	0.48	0.64
Five-year CD, annual yield	2.83	2.83	2.87
30-year mortgage, fixed*	7.55	7.74	8.28
15-year mortgage, fixed*	6.85	6.98	7.42
Jumbo mortgages, \$726,200+*	7.63	7.82	8.33
Five-year adj mortgage (ARM)*	6.73	6.82	7.16
New-car loan, 48-month	7.68	7.70	7.70

Bankrate.com rates based on survey of over 4,800 online banks. \*Base rate posted by 70% of the nation's largest banks. † Excludes closing costs. Sources: FactSet; Dow Jones Market Data; Bankrate.com

## Benchmark Yields and Rates

### Treasury yield curve

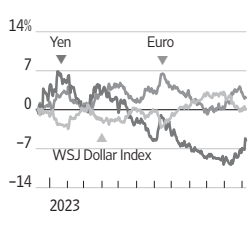
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

### Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



## Corporate Borrowing Rates and Yields

Bond total return index	Yield (%) Last	Spread +/- in basis pts, 52-wk Range	Total Return 52-wk 3-yr
U.S. Treasury, Bloomberg	4.470	4.410	-0.39 -4.55
U.S. Treasury Long, Bloomberg	4.460	4.550	-8.90 -12.82
Aggregate, Bloomberg	4.950	4.910	0.67 -4.08
Fixed-Rate MBS, Bloomberg	5.100	5.100	0.20 -3.74
High Yield 100, ICE BofA	7.825	7.796	3.22 4.59
Muni Master, ICE BofA	3.284	3.363	7 -9
EMBI Global, J.P. Morgan	7.676	7.810	332 332

Sources: J.P. Morgan; S&P Dow Jones Indices; Bloomberg Fixed Income Indices; ICE BofA

## New to the Market

## Public Offerings of Stock

## IPOs in the U.S. Market

None expected this week

## Lockup Expirations

Below, companies whose officers and other insiders will become eligible to sell shares in their newly public companies for the first time. Such sales can move the stock's price.

Lockup expiration	Issue date		Symbol	Offer price(\$)	Offer amt (\$ mil.)	Through Friday (%)	Lockup provision
Dec.11	June 14, '23	Cava Group	<b>CAVA</b>	22.00	281.7	<b>46.5</b>	180 days
Dec.12	June 15, '23	Azitra	<b>AZTR</b>	5.00	7.5	<b>-74.8</b>	180 days

Sources: Dealogic; Dow Jones Market Data

Sources: Dealogic; Dow Jones Market Data

## IPO Scorecard

Performance of IPOs, most-recent listed first

Company	SYMBOL	Friday's close (\$)	Offer price	1st-day close	Company	SYMBOL	Friday's close (\$)	Offer price	1st-day close
Almei Health Technology	AFJKU	10.16	1.6	0.1	CARGO Therapeutics	CRGX	16.05	7.0	10.5
Garden Stage	GSII	7.53	88.3	-26.2	Hamilton Insurance Group	HG	15.29	1.9	1.9
Fenbo Holdings	FEBO	4.95	-1.0	11.5	AI Transportation Acquisition	ANSCU	10.14	1.4	0.9
Colombier Acquisition II	CLBRU	10.06	0.6	0.7	Al Transportation Acquisition	AITRU	10.21	2.1	0.5
Elevai Labs	ELAB	2.06	-48.5	-39.4	Globavend Holdings	GVH	1.25	-68.8	-51.6
DDC Enterprise	DDC	5.96	-29.9	-4.0	Lexeo Therapeutics	LXEO	11.59	5.4	15.3
Richtech Robotics	RR	5.01	0.2	-4.6	Pineapple Financial	PAPL	3.20	-20.0	42.2
Global Lights Acquisition	GLACU	10.26	2.6	0.9	Alpha Technology Group	ATGL	14.30	257.5	225.0
Shimmick	SHIM	6.14	-12.3	-4.1	Mach Natural Resources LP	MNR	17.00	-10.5	-7.3
Signing Day Sports	SGN	1.08	-78.4	-44.0	reAlpha Tech	AIRE	2.90	-71.0	-99.3

Sources: Dow Jones Market Data; FactSet

## Public and Private Borrowing

### Treasuries

Monday, December 11	Thursday, December 14
Auction of 13 and 26 week bills; announced on December 7; settles on December 14	Auction of 4 and 8 week bills; announced on December 10; settles on December 19
Auction of 3 year note; announced on December 7; settles on December 15	
Wednesday, December 13	
Auction of 17 week bill; announced on December 12; settles on December 19	

## Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Country/currency	in US\$	per US\$	US\$/in (%)	Country/currency	in US\$	per US\$	US\$/in (%)
<b>Americas</b>				<b>Vietnam</b> dong	.0004127	24230	2.1
Argentina peso	.0027363	9152	105.9	<b>Europe</b>			
Brazil real	.2028	4.9320	-6.7	Czech Rep. koruna	.04415	22.651	0.4
Canada dollar	.7361	1.3585	0.2	Denmark krone	.1444	6.9260	-0.5
Chile peso	.001148	871.13	2.7	Euro area euro	1.0763	92.92	0.1
Colombian peso	.000251	3982.00	-17.9	Hungary forint	.02825	354.01	-5.2
Ecuador US dollar	1	1	unch	Iceland krona	.07161	139.64	1.3
Mexico peso	.0576	17.3551	-1.9	Norway krona	.0917	10.989	11.1
Uruguay peso	.02555	39.1450	-2.1	Poland zloty	.2483	4.0279	-8.8
<b>Asia-Pacific</b>				Russia ruble	.01085	92.155	25.0
Australi dollar	.6581	1.5195	3.6	Sweden krona	.0955	10.871	0.3
China yuan	.1396	7.1631	3.8	Switzerland franc	1.1362	84.601	4.1
Hong Kong dollar	.1281	7.8094	0.4	Turkey lira	.0346	28.9421	54.5
India rupee	.01198	83.440	0.4	Ukraine hryvnia	.0272	36.7500	-3.0
Indonesia rupiah	.0000462	15755	0.0	UK pound	1.2549	.7969	-3.4
Japan yen	.006899	144.95	10.5	<b>Middle East/Africa</b>			
Kazakhstan tenge	.002179	458.88	-0.9	Bahrain dinar	2.6532	.3769	-0.04
Macau pataca	.1243	8.0470	-0.01	Egypt pound	.0324	30.8964	24.8
Malaysia ringgit	.2144	4.6650	5.9	Israel shekel	.2698	3.762	5.1
New Zealand dollar	.6123	1.6362	3.7	Kuwait dinar	3.2407	.3086	0.8
Pakistan rupee	.00353	283.500	25.1	Oman sul rial	2.5974	.3850	unch
Philippines peso	.0181	55.3235	-0.6	Qatar rial	.2742	3.647	-0.4
Singapore dollar	.7451	1.3421	0.1	Saudi Arabia riyal	.2666	3.7505	-0.2
South Korea won	.0007588	1317.80	4.4	South Africa rand	.0527	18.9681	11.4
Sri Lanka rupee	.0030547	327.32	-10.9	Close Net Chg % Chg YTD in %			
Taiwan dollar	.03182	31.426	2.6	<b>WSJ Dollar Index</b>	98.12	0.30 0.31	1.62
Thailand baht	.02813	35.550	2.7				

MARKETS

Buffett, Truck-Stop Mogul Spar Over Pilot’s Value

By JONATHAN WEIL

Warren Buffett and truck-stop mogul Jimmy Haslam are fighting over a seemingly obscure accounting method. What is really at stake could be as much as \$1.2 billion.

Buffett of course is chairman and chief executive of **Berkshire Hathaway**. Haslam, who owns the Cleveland Browns football team with his wife Dee, built his father’s truck-stop chain, Pilot Travel Centers, into an empire before selling a majority stake to Berkshire.

Now, their two companies are duking it out in a Delaware court over the question of the proper accounting method for reporting PTC’s earnings. That will determine how much Berkshire could have to pay to the Haslam family’s company, Pilot Corp., to buy the 20% of PTC it doesn’t yet own.

Pilot Corp. told the court

that Berkshire took steps to make PTC look less profitable over the short term, potentially cutting any deal’s value by as much as \$1.2 billion.

Berkshire said it acted within its rights. It also alleged that Haslam tried bribing employees into inflating PTC’s near-term earnings, so Pilot Corp. would get paid more. In court filings, Pilot Corp. has denied Berkshire’s allegations, calling them “strategic inventions” and a “wild theory.”

A trial on Pilot Corp.’s claims is scheduled for January. Berkshire and Pilot Corp. declined to comment beyond their court filings.

Berkshire acquired its majority stake in PTC over a six-year period. Starting in January, Pilot Corp. has an annual 60-day window in which it can require Berkshire to purchase its remaining 20% stake.

If this comes to pass, the



Warren Buffett and Jimmy Haslam, shown in 2017.

price would be set at a contractually agreed formula of 10 times the prior year’s earnings before interest and taxes, with some adjustments. This is the same formula the parties have used previously.

Berkshire, which paid \$11 billion for the 80% it owns, has

an incentive for EBIT to be low. Haslam, who still sits on PTC’s board with his father, wants PTC to show higher earnings, meaning Pilot Corp.’s remaining stake would be worth more.

In this case, the argument centers on a financial-report-

ing method known as push-down accounting. When a company gets bought, it can choose whether to revalue all the assets and liabilities on its own separate set of books, in effect pushing down the acquirer’s purchase price and using that as the basis for the new values. The method is optional. Companies have wide discretion on whether to apply it. But if they do, the decision is irrevocable.

If a company wants to show lower profits over the short term after getting acquired, it can write up its asset values so it will show higher expenses for things like depreciation and amortization. Pilot Corp. said Berkshire did this with PTC’s financial statements, which are separate from Berkshire’s, along with other adjustments that cut PTC’s earnings.

Pilot Corp. said Berkshire agreed not to elect pushdown

accounting at PTC without Pilot Corp.’s consent. It said Berkshire began doing so anyway last March.

Berkshire confirmed that PTC applied pushdown accounting on its interim financial statements this year. It claims it had no choice.

Berkshire said PTC itself implemented pushdown accounting, while Pilot Corp. was still the controlling shareholder. It added that doing so boosted the payout Pilot Corp. received earlier this year when Berkshire upped its PTC stake to 80% from about 39%.

Pilot Corp. said it did no such thing. It said the first time Berkshire made this argument was after Pilot Corp. filed its lawsuit in October.

Pilot Corp. has said it was holding out for the possibility that Berkshire would agree to set the price on its 20% stake as if pushdown accounting weren’t in effect.

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index. The DJIA gained 2.37 points, or 0.01%, on the week. A \$1 change in the price of any DJIA stock = 6.59-point change in the average. To date, a \$1,000 investment on Dec. 31 in each current DJIA stock component would have returned \$33,612, or a gain of 12.04%, on the \$30,000 investment, including reinvested dividends.

Pct. change		Stock price		Point change		In average		Company		Symbol	Close	\$1,000 Invested (year-end '22)	
—		—		—		—		—		—		—	
11.40	2.37	15.62						<b>Walgreens</b>		WBA	\$23.16		\$665
4.63	10.83	71.38						<b>Boeing</b>		BA	244.70		1,285
3.53	3.52	23.20						<b>3M</b>		MMM	103.37		914
2.34	4.47	29.46						<b>Apple</b>		AAPL	195.71		1,515
2.14	6.85	45.15						<b>Home Depot</b>		HD	326.47		1,062
2.14	2.43	16.02						<b>Nike</b>		NKE	115.91		1,003
1.07	1.68	11.07						<b>JPMorgan Chase</b>		JPM	158.52		1,217
1.07	2.74	18.06						<b>Caterpillar</b>		CAT	259.50		1,106
0.88	1.41	9.29						<b>IBM</b>		IBM	161.96		1,207
0.69	2.40	15.82						<b>Goldman Sachs</b>		GS	350.83		1,054
0.48	2.61	17.20						<b>UnitedHealth Group</b>		UNH	549.77		1,053
0.28	0.29	1.91						<b>Merck</b>		MRK	103.75		954
0.26	0.24	1.58						<b>Walt Disney</b>		DIS	92.82		1,072
-0.05	-0.03	-0.20						<b>Coca-Cola</b>		KO	58.61		950
-0.07	-0.28	-1.85						<b>Microsoft</b>		MSFT	374.23		1,574
-0.15	-0.43	-2.83						<b>McDonald's</b>		MCD	285.53		1,108
-0.19	-0.09	-0.59						<b>Cisco</b>		CSCO	48.38		1,047
-0.28	-0.71	-4.68						<b>Visa</b>		V	255.74		1,241
-0.35	-0.50	-3.30						<b>Chevron</b>		CVX	144.31		836
-0.40	-0.72	-4.75						<b>Travelers</b>		TRV	181.26		989
-0.86	-0.33	-2.17						<b>Verizon</b>		VZ	38.25		1,043
-1.22	-3.33	-21.95						<b>Amgen</b>		AMGN	269.12		1,060
-1.60	-3.17	-20.89						<b>Honeywell</b>		HON	194.61		928
-2.25	-3.48	-22.94						<b>Walmart</b>		WMT	150.86		1,080
-2.38	-1.04	-6.85						<b>Intel</b>		INTC	42.70		1,654
-2.50	-3.96	-26.10						<b>Johnson &amp; Johnson</b>		JNJ	154.42		900
-2.64	-1.38	-9.10						<b>Dow</b>		DOW	50.92		1,065
-3.07	-5.33	-35.13						<b>American Express</b>		AXP	168.43		1,157
-3.53	-9.19	-60.57						<b>Salesforce</b>		CRM	250.81		1,892
-4.92	-7.51	-49.50						<b>Procter &amp; Gamble</b>		PG	145.15		982

\*Based on Composite price. DJIA is calculated on primary-market price. Source: Dow Jones Market Data; FactSet

Zucker Eyes U.K. Media Opportunity

*Continued from page B1*

expand the Telegraph’s video and audio offerings.

Tina Brown, the former editor in chief of Vanity Fair and the New Yorker, said there is room for a brand like the Telegraph in the U.S., and that Zucker is well equipped to lead that effort.

Zucker is chief executive of RedBird IMI, a joint venture between private-equity firm RedBird Capital Partners and International Media Investments, an Abu Dhabi-based private investment company.

**Lloyds Banking Group** seized control of the Telegraph and Spectator from the Barclay family for unpaid loans equivalent to about \$1.5 billion. The Barclay family then struck a deal with Red-Bird IMI so that it could repay its debt to the bank. Under the deal, RedBird IMI provided a loan of about \$753 million that gave it an option to acquire the Telegraph and Spectator, while separately IMI

provided a loan of a similar amount. RedBird IMI has said it would take ownership only if it secured U.K. government clearance.

Because the capital that would fund the deal is coming from Abu Dhabi, journalists and U.K. politicians questioned whether the Telegraph would come under undue influence from a foreign owner.

The U.K. government recently said it opened a probe to ensure the deal wouldn’t unduly reduce media competition or compromise editorial independence.

RedBird IMI declined to say what it would do if the government blocks the deal, but said it has pledged to create a governance structure that would ensure and protect editorial independence.

“If anyone were to come to me with even the suggestion of interference, I would resign,” Zucker told the Telegraph in a recent interview.

There were plenty of suitors for either the Telegraph or the Spectator. Several British publications have expanded their audiences by catering to

U.S. readers. In 2012, the Daily Mail launched its U.S. website, which heavily focuses on celebrity news. It now boasts more than 90 million monthly unique visitors globally, making it one of the world’s most-read newspaper websites, according to Comscore.

The Telegraph caters to a more upscale audience and is particularly influential within the U.K. conservative establishment.

Other highbrow British publications have ventured into the U.S., including the *Guardian*, which launched a U.S. edition in 2007 and in 2014 shared a Pulitzer Prize with the Washington Post for its coverage of secret surveillance by the National Security Agency. The Spectator, which Zucker is trying to buy, also has a U.S. edition. The Telegraph’s website has a U.S.-edition tab that more prominently displays U.S. stories on its home page.

People familiar with Zucker’s thinking said that if he were to take control, he wouldn’t be involved in day-to-day editorial operations,

but would instead take on a business-strategy role.

Zucker joined NBC in 1986 as a researcher for its coverage of the 1988 Olympic Games in Seoul and rose to become executive producer of “Today” in 1991 at the age of 26. He later managed entertainment for NBC, where his greatest successes included “The Apprentice,” starring Donald Trump. Zucker left his job as NBCUniversal CEO after the company was acquired by **Comcast**.

He became CNN’s president in 2013 and oversaw a period of strong ratings growth, particularly during the Trump administration. On his watch, the network, once accused of giving Trump too much air-time during the 2016 presidential-election cycle, later became a critic of the administration. In the years since Trump left office, CNN’s ratings have reverted to about where they were when Zucker joined the network. He resigned as CNN president last year after failing to disclose a relationship with a colleague.

He was a key architect of CNN+, a streaming platform canceled just a few weeks after its launch last year by the network’s new owner amid disappointing early sign-ups.

—Alexandra Bruell contributed to this article.

Insider-Trading Spotlight

Trading by ‘insiders’ of a corporation, such as a company’s CEO, vice president or director, potentially conveys new information about the prospects of a company. Insiders are required to report large trades to the SEC within two business days. Here’s a look at the biggest individual trades by insiders, based on data received by Refinitiv on December 8, and year-to-date stock performance of the company

**KEY:** B: beneficial owner of more than 10% of a security class **CB:** chairman **CEO:** chief executive officer **CFO:** chief financial officer **CO:** chief operating officer **D:** director **DO:** director and beneficial owner **GC:** general counsel **H:** officer, director and beneficial owner **I:** indirect transaction filed through a trust, insider spouse, minor child or other **O:** officer **OD:** officer and director **P:** president **UT:** unknown **VP:** vice president Excludes pure options transactions

Biggest weekly individual trades

Based on reports filed with regulators this past week

Date(s)	Company	Symbol	Insider	Title	No. of shrs in trans (000s)	Price range (\$) in transaction	\$ Value (000s)	Close (\$)	Ytd (%)
<b>Buyers</b>									
Dec. 1	Verve Therapeutics	<b>VERV</b>	K. Yeshwant	<b>DOI</b>	1,800	10.00	18,000	12.79	-33.9
Dec. 1	Shoe Carnival	<b>SCVL</b>	D. Weaver W. Weaver	<b>CB</b> <b>BI</b>	207 207	25.16 25.16	5,196 5,196	26.99	12.9
Nov. 29-Dec. 1	Anterix	<b>ATEX</b>	J. Altman	<b>DO</b>	124	32.11-33.99	4,070	36.29	12.8
Nov. 29	Pulse Biosciences	<b>PLSE</b>	R. Duggan	<b>DO</b>	219*	9.21-9.44	2,050	9.48	242.2
Nov. 30			R. Duggan	<b>DO</b>	153	9.06	1,386		
Dec. 5			R. Duggan	<b>DOI</b>	66	9.34	617		
Dec. 1			R. Duggan	<b>DOI</b>	46	9.07	414		
Dec. 4			R. Duggan	<b>DOI</b>	27	10.38	280		
Dec. 5-6	Erasca	<b>ERAS</b>	J. Lim	<b>CEOI</b>	1,000	1.69-1.72	1,696	1.87	-56.6
Nov. 30-Dec. 1	Akero Therapeutics	<b>AKRO</b>	G. Graham	<b>DI</b>	100	16.90-16.99	1,695	19.87	-63.7
Dec. 1	DIRTT Environmental Solutions	<b>DIRTTF</b>	S. Noll	<b>DOI</b>	3,940	.28	1,108	0.36	-31.2
Dec. 5	Fathom Holdings	<b>FTHM</b>	S. Flanders	<b>D</b>	300	2.00	600	2.25	-47.1
Nov. 29-30	Sight Sciences	<b>SGHT</b>	S. Encrantz	<b>DO</b>	144	3.46-3.50	498	2.87	-76.5
Dec. 1-4	Generation Bio	<b>GBIO</b>	C. Rowland	<b>D</b>	343	1.31-1.50	478	1.71	-56.5
Dec. 1	First Busey	<b>BUSE</b>	S. Bradshaw	<b>DI</b>	21	21.90	456	23.61	-4.5
Nov. 30-Dec. 1	ICVD Equipment	<b>CVV</b>	.	<b>BI</b>	96	4.51-4.78	448	5.03	-8.7
Dec. 5	National Storage Affiliates Trust	<b>NSA</b>	A. Nordhagen	<b>OD</b>	10	35.92	359	36.85	2.0

Sellers

Dec. 1	Las Vegas Sands	<b>LVS</b>	M. Adelson	<b>B</b>	46264*	43.23	2,000,000	46.39	-3.5
Nov. 28	Exxon Mobil	<b>XOM</b>	J. Ubben	<b>DI</b>	2,077	104.06	216,127	99.55	-9.7
Dec. 5	Rush Enterprises	<b>RUSHB</b>	W. Rush	<b>CEO</b>	1,500	43.56	65,340	45.04	20.1
Dec. 1-4	Green Brick Partners	<b>GRBK</b>	D. Einhorn	<b>DOI</b>	938	44.65-44.81	41,926	50.95	110.3
Dec. 5	UnitedHealth Group	<b>UNH</b>	S. Hemsley	<b>D</b>	66	550.39	36,370	549.77	3.7
Dec. 5	Warner Music Group	<b>WMG</b>	M. Lousada	<b>O</b>	869	33.36	28,990	33.93	-3.1
Dec. 1	Salesforce	<b>CRM</b>	B. Millham A. Weaver	<b>P</b> <b>P</b>	107 95	255.00-260.00 250.00	27,420 23,745	250.81	89.2
Dec. 5-6	DoorDash	<b>DASH</b>	W. Tang	<b>D</b>	186	95.61-99.24	18,056	100.00	104.8
Dec. 5-6	DraftKings	<b>DKNG</b>	P. Liberman	<b>OD</b>	494	35.53-36.87	17,800	35.90	215.2
Dec. 5-6	Celsiust Holdings	<b>CELH</b>	J. Fieldly	<b>CEO</b>	300	52.05-52.41	15,718	50.90	46.8
Nov. 28-Dec. 1	Coinbase Global	<b>COIN</b>	F. Ehrsam	<b>DOI</b>	114	125.22-134.20	14,922	146.62	314.3
Nov. 29-Dec. 1	IMedpace Holdings	<b>MEDP</b>	A. Troendle	<b>CEOI</b>	53	272.18-273.26	14,507	283.19	33.3
Dec. 1	MongoDB	<b>MDB</b>	D. Ittycheria	<b>CEO</b>	33	414.98-422.20	13,811	381.79	94.0
Dec. 5-6	SBA Communications	<b>SBAC</b>	S. Bernstein	<b>CB</b>	53*	250.10-253.89	13,377	244.18	-12.9
Dec. 1-4	Palantir Technologies	<b>PLTR</b>	S. Cohen	<b>P</b>	656	19.11-20.02	12,993	17.77	176.8
Dec. 4	Palo Alto Networks	<b>PANW</b>	L. Klarich	<b>O</b>	45	283.70-294.08	12,896	298.42	113.9
Dec. 5	Super Micro Computer	<b>SMCI</b>	C. Liang	<b>CEO</b>	50	252.18	12,609	272.65	232.1

\*Half the transactions were indirect \*\*Two day transaction  
p - Pink Sheets

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Sector	Buying	Selling	Sector	Buying	Selling
Basic Industries	403,197	36,571,357	Finance	2,857,367	110,453,582
Capital Goods	3,680,051	66,106,079	Health care	5,631,026	80,090,521
Consumer durables	145,832	67,604,514	Public Utilities	30,140	974,455
Consumer non-durables	582,910	34,613,692	Technology	532,185	468,905,772
Consumer services	15,458,813	117,354,407	Transportation	0	1,723,735
Energy	910,239	13,267,099			

Sources: Refinitiv; Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

December 8, 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.					
Inflation			Week Latest ago		—52-WEEK— High Low
Oct. index level	Chg From (%) Sept. '23 Oct. '22				
<b>U.S. consumer price index</b>					
All items	307.671	-0.04	3.2		
Core	311.380	0.18	4.0		
International rates			Week Latest ago	—52-WEEK— High Low	
<b>Federal funds</b>					
Effective rate	5.3400	5.3400	5.3500	3.8400	
High	5.6500	5.6500	5.6500	4.0500	
Low	5.3100	5.3100	5.3300	3.8100	
Bid	5.3300	5.3300	5.3300	3.8200	
Offer	5.3400	5.3500	5.3700	3.8400	
<b>Treasury bill auction</b>					
4 weeks	5.285	5.290	5.840	3.190	
13 weeks	5.250	5.280	5.345	4.270	
26 weeks	5.190	5.240	5.350	4.550	
Secondary market			Week Latest ago	—52-WEEK— High Low	
<b>Fannie Mae</b>					
30-year mortgage yields					
30 days	6.328	6.478	7.495	5.244	
60 days	6.332	6.484	7.554	5.250	
<b>Notes on data:</b>					
<b>U.S. prime rate</b> is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 27, 2023. <b>Other prime rates</b> aren't directly comparable; lending practices vary widely by location. <b>Discount rate</b> is effective July 27, 2023. <b>Secured Overnight Financing Rate</b> is as of December 7, 2023. <b>DTCC GCF Repo Index</b> is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. <b>Federal funds rates</b> are Tullett Prebon rates as of 5:30 p.m. ET.					
Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.					

Other short-term rates				
Latest		Week ago	—52-WEEK— High low	
<b>Call money</b>				
	7.25	7.25	7.25	5.75
<b>Commercial paper (AA financial)</b>				
90 days	5.29	5.39	5.54	4.37
<b>Secured Overnight Financing Rate</b>				
	5.32	5.33	5.39	3.80
Latest		Value Traded	—52-WEEK— High Low	
<b>DTCC GCF Repo Index</b>				
Treasury	5.372	23.116	5.435	3.814
MBS	5.400	56.240	5.449	3.865

# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

## Big Labor Is a Big Barrier to Apple’s India Ambitions

The nation’s moment as a manufacturing hub is here but to truly capitalize on that, it needs labor-market reforms

India is front and center in **Apple’s** plans to diversify production away from China. But shaky infrastructure isn’t the only obstacle. There is another crucial complicating factor: a powerful and independent labor movement.

That is a major difference from China, where labor unions don’t exist as a political force independent of the ruling Communist Party. And with India’s contentious general elections coming up in early 2024, nascent labor reforms that are important to Apple’s plans could get caught up in the political crossfire.

Apple plans to assemble more than 50 million iPhones in India annually within the next two to three years, The Wall Street Journal reported Friday. That would be equal to around one-quarter of 2022 global shipments—and an enormous step up from the 6% assembled in the nation last year, according to consulting firm Canalys.

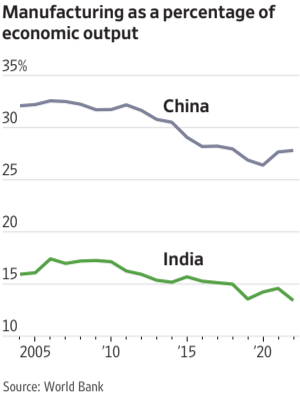
**Foxconn**, the world’s largest contract electronics manufacturer

and a key Apple supplier, has rapidly increased investment in India, and in late November announced it was investing the equivalent of more than \$1.5 billion there.

Still, China remains far and away the top destination for phone assembly—and there are good reasons to expect that to continue for a long time, despite heavy pressure from Apple and others to diversify.

India’s southern Tamil Nadu state, home to Foxconn and **Pegatron** factories churning out iPhones, shelved a contentious bill permitting 12-hour factory shifts in April. The rule doesn’t change weekly working hours but would have helped Apple suppliers run two long daily shifts instead of the current shorter three. That would have brought Tamil Nadu in line with China—where 12-hour workdays are allowed, bringing more efficiency to the factory floor, especially ahead of crunch periods like holidays or new product launches.

The bill faced stiff resistance from labor unions and opposition



parties and there is a risk of something similar happening in the neighboring state of Karnataka, another site for assembling iPhones. The Indian National Congress party, which has controlled the state government there since May, campaigned partly on reversing a similar measure.

So far, that hasn’t happened—but political pressure on all of India’s major political parties will be ramping up ahead of general elections next spring.

Labor reforms are important because building all those new factories is already going to be very expensive. Foxconn’s 2021 operating margin in India was still about negative 1%, according to Goldman Sachs, and its operations in Vietnam took years to become profitable after it began opening factories there.

India itself also has an enormous amount at stake. The time is ripe, geopolitically and demographically, for it to become a manufacturing powerhouse: Its population is younger and now larger than China’s, but unemployment is high and labor-force participation is low. If it squanders its chance to build a manufacturing jobs machine now, all those young people could become a political problem rather than an economic asset.

More than 40% of the nation’s pop-

ulation is under 25.

Regional competition is one reason for optimism—if Karnataka ends up attracting more investment and creating more jobs because it holds the line on labor reforms, other states will presumably take note.

Big multinationals like Foxconn and Apple will also need to be flexible and recognize the trade-offs that India presents. Foxconn and **Wistron** have both faced protests over poor labor conditions at their factories.

Manufacturers in India may never face inflexible nationwide policies like China’s strict Covid-19 lockdowns—India’s courts and local governments have much more autonomy than their equivalents in Xi Jinping’s China. But multinationals will have to make their peace with the cacophony of a rough-and-tumble democracy housing 1.4 billion people, too.

That will continue to present its own challenges.

—Megha Mandavia

## The Fed Can’t Put Off Preparing for Rate Cuts

As the economy slows down toward its speed limit, it might be time to start thinking about easing up on the brake. That doesn’t mean the driver must tell the passengers.

Friday’s employment report showed that the economy added a seasonally adjusted 199,000 jobs last month, a move up—driven in part by the end of the auto strikes—from October’s gain of 150,000 jobs. The unemployment rate slipped to 3.7% from 3.9%, and would have fallen even more if not for the entry of more people into the labor pool. Average hourly earnings were up 4% from a year earlier which, coming alongside

cooling inflation, shows that workers’ buying power increased.

The overall impression is of a job market that is in good health. Investors who were hoping that the Federal Reserve’s rate-setting committee this coming Wednesday would not only keep rates on hold but also indicate that it is getting ready to pivot to lower rates early next year, were disappointed. Treasuries retreated Friday, pushing yields higher.

But a move toward lower rates is probably coming nonetheless, and sometime in the early part of next year, the Fed will need to start preparing for it.

The first reason rates are likely heading lower is that the economy is adding fewer jobs than it was a year ago and demand for workers is cooling. That dynamic will probably continue into the new year.

Second, the job market doesn’t appear to be adding to inflationary pressures. A simple guideline says that inflation’s dynamic tends to equal the pace of worker pay gains minus increases in worker productivity. Revised Labor Department figures last Wednesday showed that productivity, as measured by what the typical worker produces in an hour, was up 2.4% in the third quarter from a year earlier. The

productivity figures have been volatile lately, but if productivity is growing in the neighborhood of 2%, paychecks growing at 4% should deliver something around the 2% inflation the Fed is aiming for.

Finally, inflation has cooled, and appears likely to get cooler still. The core measure of the Fed’s preferred inflation gauge—which excludes food and energy items to reflect the underlying trend—was up 3.5% in October versus a year ago. And compared with three months earlier, it was growing at a 2.4% annual rate. Declines in the prices of many goods could help keep inflation heading lower. The same goes

for sharply slowing inflation in rents on newly signed leases.

As it stands, Fed policy makers on Wednesday will probably keep their “bias to tighten,” effectively as a just-in-case clause for if inflation reaccelerates, even if they privately think they are done. And the projections they will offer up will likely show their interest-rate target a bit lower at the end of next year, yet not as low as investors currently think.

But if the job market keeps slowing and inflation continues to cool, policy makers will probably soon see no sense in keeping rates high, risking a recession.

—Justin Lahart

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