

THE WALL STREET JOURNAL.

What's News

Business & Finance

New York City employers are starting to divulge more details about salaries ahead of a law taking effect this week that will require nearly all new job postings to include a pay range, a move expected to reshape workplaces and how companies hire. **A1**

◆ **Emerson is selling** a majority stake in its climate-technologies business to Blackstone for \$14 billion including debt, in what would rank as the biggest private-equity buyout in months. **A1**

◆ **Twitter drafted plans** for broad layoffs as new boss Elon Musk fired top executives “for cause” and sought to reassure users and advertisers about content moderation. **B1**

◆ **Natural-gas prices** have fallen more than 40% since hitting shale-era highs in late August, reducing the risk of outsize consumer heating bills this winter and potentially easing a major cost pressure for manufacturers. **A3**

◆ **TuSimple**, a U.S.-based self-driving trucking company, faces federal probes into whether it improperly financed and transferred technology to a Chinese startup. **B3**

◆ **Foxconn is scrambling** to contain a weekslong Covid-19 outbreak at an iPhone factory in China during a crucial period for smartphone orders. **B4**

◆ **Taylor Swift's newest album** marked her biggest debut yet as fans snapped up a record number of vinyl LPs. **B2**

World-Wide

◆ **Brazil's leftist** former president, Luiz Inácio Lula da Silva beat conservative incumbent Jair Bolsonaro in the country's closest presidential race in history, cementing Latin America's shift to the left and marking an extraordinary comeback for a man who was in jail for corruption three years ago. **A1**

◆ **The 154 people** who died in Seoul this weekend were crushed in a narrow alleyway that was jammed with Halloween revelers, according to South Korean authorities who are investigating Saturday's tragedy. **A1**

◆ **Security arrangements** for members of Congress and their families are coming under increasing scrutiny following last week's attack at the home of House Speaker Pelosi in which her husband was severely injured. **A5**

◆ **At least 100 people** died when two car bombs went through a busy Mogadishu intersection, Somalia's president said, after visiting the site of the attack. **A9**

◆ **The United Nations** and Turkey scrambled to rescue an agreement that allowed Ukraine to ship grain via the Black Sea, a day after Russia suspended the deal in a move that threatens global food prices. **A6**

◆ **A suspension bridge** collapsed and killed at least 68 people in the Indian state of Gujarat after the structure became crowded with hundreds of visitors. **A7**

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Luiz Inácio Lula da Silva celebrates his victory Sunday in Brazil's presidential election with supporters in São Paulo.

Lula da Silva Beats Bolsonaro To Reclaim Brazil Presidency

By LUCIANA MAGALHAES AND SAMANTHA PEARSON

SÃO PAULO—Brazil's leftist former president, Luiz Inácio Lula da Silva, beat conservative incumbent Jair Bolsonaro in the country's closest presidential race in history Sunday, cementing Latin America's shift to the left and marking an extraordinary comeback for a man who was in jail for corruption three years ago.

After a marathon of campaign rallies in the poorest corners of the country to appeal to voters hungry for a re-

turn to Brazil's more prosperous past, Mr. da Silva, who last presided over Brazil from 2003 to 2010, clinched 60 million votes to secure 50.9% of the electorate to 49.1% for his rival in the runoff, with 99.5% of the votes counted, electoral authorities reported.

Mr. Bolsonaro became the first president to fail to win reelection in the 25 years since a constitutional amendment made it possible to run for a second term. As of 10:20 p.m. local time, he had not publicly responded to the results.

Mr. da Silva's victory in

Brazil means that every major country in Latin America, from Argentina to Mexico, will be led by a leftist government when he takes office on Jan. 1.

The seventh son of illiterate farmworkers who lost a finger in an industrial accident, Mr. da Silva, 77 years old, has an almost mythical connection with Brazil's working class and is seen as an icon by the Latin American left. On the campaign trail, he pledged to increase the minimum wage and spend on the poor—popular proposals among millions of families suffering from the fall-

out of the Covid-19 pandemic and the global economic crisis.

Reading from a statement at a hotel in São Paulo, Mr. da Silva pledged to fight discrimination and the extreme poverty that leads many Brazilians to sleep on the streets. He also appealed to both sides of the divide after a bitter campaign.

“I will govern for 215 million Brazilians, not just those who voted for me,” Mr. da Silva said. “There is no such thing as two Brazils. We are a single country, a single people, a great country.”

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New York Postings To Reveal Salary Ranges

By CHIP CUTLER

New York City employers are starting to divulge more details about salaries ahead of a law taking effect this week that will require nearly all job postings to include a pay range, a move expected to reshape workplaces and how companies hire.

The measure, aimed at closing gender pay gaps and other disparities, requires companies to include salary ranges if they hire in New York or advertise for remote roles that could be done in the city. Similar laws have either gone into effect or are set to be implemented elsewhere, including in Colorado and California.

Some large New York employers, including JPMorgan Chase & Co. and American Express Co., have begun including salary ranges on postings. In recent weeks, Citigroup Inc. and Macy's Inc. updated all job listings to include pay ranges nationwide.

For example, Macy's disclosed that the annual salary for a New York-based sales and customer-service manager ranges from about \$51,000 to \$85,000.

Ahead of the law, which takes effect Tuesday, companies have analyzed existing pay bands or prepared managers for potentially contentious conversations with existing employees about pay matters, according to executives and corporate advisers. Other employers plan to sidestep the requirements by pulling all job listings off their sites or by

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South Korea Probes Deadly Stampede

SEOUL—The 154 people who died in Seoul this weekend were crushed in a narrow alleyway that was jammed with Halloween revelers, according to South Korean authorities who are investigating Saturday's tragedy.

By Jiyoung Sohn, Dasl Yoon and Timothy W. Martin

New details that emerged the day after the incident suggest that some of the people packed into the small alley late Saturday night began to shout at the crowd to go forward. Others screamed to push back. Within moments, people began to fall, and the crowd began collapsing on itself down the sloping side street. Hundreds of people were crushed.

Some 132 people suffered injuries, with at least 36 in critical condition on Sunday, authorities said. Most of the



Seoul Mayor Oh Se-hoon spoke with reporters Sunday at the scene of the deadly stampede.

victims were young and many were female, authorities said. It was a night that started with a celebratory atmosphere for the first Halloween without most Covid-19 restrictions

before turning into a mass tragedy that has stunned South Korea and drawn condolences from around the world.

Police said they are investigating whether the businesses

and local authorities took proper safety precautions. They haven't said what might have caused the crowd to fall.

Crowd-control experts said,

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Forget the Monster Mash. Now Everyone's Trick or Twerking.

Suburbs are spellbound by a jig called the witches' dance; brooms required

By JEN MURPHY

Yes, that was a flash mob of witches twerking with brooms to German dance music you spotted this Halloween season.

They are taking over some U.S. town squares with what's known as the witches' dance, often performed to the upbeat rap tune “Schüttel deinen Speck,” which translates to “Shake Your Bacon,” by German reggae-pop artist Peter Fox.

The witches' dance has origins in Walpurgis Night, an

April holiday that doubles as a second Halloween for many Germans. The jig is now popping up in the U.S., as a way for everyday American adults to enjoy Halloween—and to participate in a kind of sisterhood.

“I know zero about witchcraft, but Halloween is my jam,” says Kandy Radtke, a fan. “And that song casts a spell on you. I kept watching the video over and over.”

Ms. Radtke, who is 54 and used to own an auto-body



Sweeping the nation

Russian Car Industry Struggles to Reboot

Efforts test economy after sanctions

By GEORGI KANTCHEV AND NICK KOSTOV

Western sanctions brought Russia's car industry to a screeching halt earlier this year. As it restarts, it is emerging smaller, technologically backward and more isolated—a foreshadowing of what could be in store for the rest of the embattled Russian economy.

Within weeks of Russia's invasion of Ukraine, most Western car companies curtailed operations in the country. Sanctions cut off the supply of parts and, one

after another, Russian car plants stopped production. By May, car production was down 97% compared with a year ago.

Some Russian plants are now reopening, including under new, local management. Last month, AvtoVAZ, maker of the iconic Russian Lada brand, said it planned to make 500,000 vehicles next year. In 2021, the company sold nearly 400,000 cars.

But the industry restart

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◆ U.N., Turkey race to save grain deal..... A6

U.S. NEWS

Threat of Soaring Winter Heating Costs Fades

By RYAN DEZEMBER

Natural-gas prices have fallen more than 40% since hitting shale-era highs in late August, reducing the risk of budget-busting heating bills this winter for millions of Americans and potentially easing a major cost pressure for manufacturers.

The decline is due to warm autumn weather, record domestic production and gas-storage facilities that have filled up fast since the end of air-conditioning season. Now, one of the big drivers of inflation costs roughly the same as it did a year ago.

Analysts warn that unusually cold weather could send prices soaring anew this winter, especially in the Northeast where maxed-out pipelines have effectively capped output from Appalachia's prolific producers.

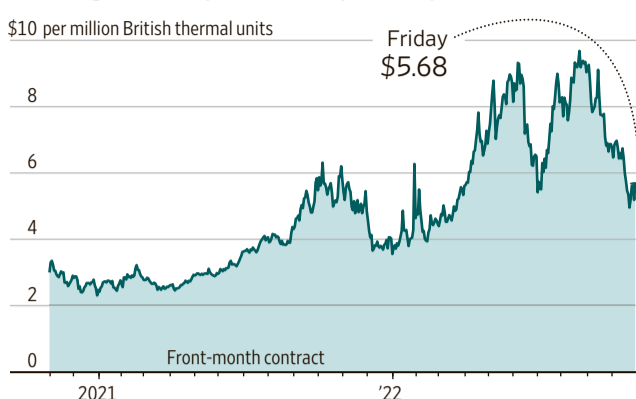
Yet many are forecasting that prices will be lower on average in 2023 than they were this year. They expect rising supply from increasingly efficient North American drillers along with slower-growing demand from an economy throttled back by central bankers trying to slow inflation with higher borrowing costs.

Natural-gas futures for December delivery ended Friday at \$5.684 per million British thermal units, just 4.75% higher than a year ago. Early last week, futures slipped below \$5 for the first time since March, when energy markets were jolted by Russia's invasion of Ukraine.

Permian Basin producers in recent days swamped the Waha trading hub in West Texas, pushing prices into negative territory. In some cash trades, sellers paid buyers more than \$1 per million British thermal units to take away gas that was fetching more than \$8 at the start of September, according

to S&P Global Commodity Insights. Analysts say futures prices are likely to rise a bit once furnaces fire up and a big liquefied-natural-gas export terminal in Texas resumes operations following a fire this summer. But they expect prices to decline next year.

Natural-gas futures price over the past two years



Rising natural-gas prices have been a safe bet since the early days of the pandemic. Some of the hottest weather on record stretched supplies at home and abroad, while the closure of coal-fired power plants left electricity producers without an alternative to natural gas. After Ukraine was in-

vaded, European utilities and manufacturers bid up boatloads of shale gas to replace Russian exports.

U.S. natural-gas inventories ended the past heating season drawn down to nearly 18% below normal levels. Another steamy summer, strong exports and restraint among North American drillers focused on shoveling cash to their shareholders kept domestic storage facilities from filling up much. By August, stockpiles were still nearly 13% below normal and prices pushed above \$10 for the first time since 2008, when the shale-drilling boom was just getting started.

Mild weather in September meant a lot less gas burned to power air conditioners. Meanwhile, U.S. production rose to a record of more than 100 billion cubic feet a day, and the prolonged outage at Freeport LNG's Texas export terminal made available a lot of gas

that otherwise would have been sold overseas.

Traders began pumping more gas into storage tanks and caverns, socking it away for winter. Between Sept. 9 and Oct. 14, 571 billion cubic feet of gas were added to stockpiles, the biggest build ever over five weeks. The deficit to normal levels shrank by more than half. As of a week ago, the volume of gas in storage was within 5.5% of normal levels for this time of year, according to the Energy Information Administration.

Matthew Palmer, executive director of Global Gas at S&P Global Commodity Insights, said the firm expects U.S. inventories to fill even more and begin winter in line with recent years, at around 3.6 trillion cubic feet. "That should be ample for most weather scenarios," he said.

◆ Frackers jockey with potash miners in oil field..... B1

Police Debate Widens Rifts in Jackson

By CAMERON McWHIRTER

JACKSON, Miss.—State officials and some residents in Mississippi's capital are at odds over how to address rampant violent crime, causing tensions to escalate in a city already rife with arguments over who was responsible for a breakdown that left many without clean drinking water.

Mississippi officials are planning to more than double the size of the police force that protects the Capitol and state office buildings to 170 officers by the end of next year. They gave the police force power to patrol a larger area of Jackson, which has one of the highest per capita homicide rates in the U.S. The Jackson Police Department, which has about 250 officers, will continue to oversee the remaining 92% of the city.

Officials in the state government, dominated by Republicans, say the move will make state buildings and the areas around them safer for workers and visitors. Some residents in the predominantly Black city say the mostly white Mississippi leadership is essentially creating a bubble around where they work and neglecting poorer communities with more violence. "It's like poor people are left out when it comes to fighting crime," said Willa Womack, the president of the Battlefield Park Neighborhood Association, representing an area that isn't part of the Capitol Police expansion plan.

Sean Tindell, commissioner of the Mississippi Department of Public Safety, which oversees the Capitol Police, said he has started meeting with local residents to hear their concerns. "Sometimes it can be tense," he



Bookstore owner Maati Jone Primm says white Republican state politicians want to take over the city.

said. "But really all we are trying to do is make the city of Jackson safer."

Jackson, population 150,000, reported 154 homicides last year, up from 128 in 2020 and 82 in 2019. As of Oct. 26 this year, 114 homicides were reported—a rate of 76 per 100,000 residents. That compares with a homicide rate in Chicago of about 21 per 100,000 for the same period.

State and local officials in Jackson have been divided for years, often over the city's failing water infrastructure, which left many residents without drinking water in late August and early September. The two sides have argued over whether the problems were caused by local mismanagement or inadequate state funding. The Environmental Protection Agency recently said it was investigating a complaint that state agencies discrimi-

nated against the city, which is more than 80% Black.

While Mississippi's Republican-led legislature and GOP Gov. Tate Reeves gave the Capitol Police expanded authority last year, the department is still adding officers. Its budget grew to \$11 million in the current fiscal year from \$6.6 million in the fiscal year that ended in June, according to a spokeswoman.

New areas the Capitol Police are patrolling include downtown, universities and the affluent, predominantly white neighborhoods of Belhaven and Fondren. Before the expansion plan, the department was primarily responsible for the Capitol and other state office buildings.

Andy Frame of the nonprofit Jackson Association of Neighborhoods said he has seen little cooperation between the city and state on law enforcement. "The state has a negative view

of how the city runs things, and neither side trusts the other," he said.

Maati Jone Primm, a 61-year-old Jackson bookstore owner, said she believes white Republican state politicians want to take over the city, rather than cooperating with its leaders and Black residents.

Jackson Democratic Mayor Chokwe Antar Lumumba declined to be interviewed through a spokeswoman, as did the city's police chief. In May, Mr. Lumumba said his administration was working to reduce violent crime, but that requests for state funding to supplement Jackson's approximately \$37 million police budget to add technology and new programs were rejected. A spokesman for the governor said the state has worked to support Jackson in its fight against crime and that the Capitol Police expansion is a one way it is doing that.

Online Ketamine Sales Raise Safety Concerns

By BRIANNA ABBOTT AND DANIELA HERNANDEZ

Startups are prescribing ketamine online to treat serious mental-health conditions, raising concern among psychiatrists about the safety of taking the mind-altering anesthetic without medical supervision, sometimes at high doses that raise risks of side effects.

Ketamine is approved by the Food and Drug Administration to anesthetize people and animals and has been used safely in hospitals for decades. The out-of-body, hallucinogenic sensations it produces made it popular as a party drug known as Special K. Some doctors prescribe ketamine off-label to treat patients with conditions including severe depression, suicidal thoughts and post-traumatic stress disorder.

Generic ketamine isn't approved for those conditions. Studies have shown it can rapidly alleviate symptoms of severe depression when other treatments have failed. There is less data on ketamine's effectiveness for other conditions including anxiety and PTSD, and little data on its long-term use.

Mindbloom Inc., Nue Life Health PBC and Wondermed LLC are among around a dozen companies now selling ketamine tablets or lozenges online, making use of relaxed restrictions on the prescription of controlled substances during the pandemic.

The companies work with clinicians who prescribe ketamine to patients based on a

questionnaire and virtual evaluation. The companies say they instruct people to take the medication with someone nearby, among other safety measures.

Taking ketamine at home without medical supervision increases risks of patients falling and hurting themselves or taking more of the drug than prescribed, doctors said.

"Places that are doing virtual ketamine are negotiating a compromise between accessibility and safety," said Dr. Benjamin Yudkoff, medical director of the ketamine and esketamine program at Brigham and Women's Faulkner Hospital in Boston.

Ketamine increases heart rate and blood pressure, raising the risk of rare complications including stroke or heart attack at the higher doses that some telehealth patients have been prescribed, medical experts said.

"Giving any drug like that has the potential to cause general anesthesia at home in a completely unmonitored environment," said Dr. Michael Champeau, president of the American Society of Anesthesiologists.

The companies said prescribing ketamine-assisted therapy at home can help fill a need for people who don't respond to existing medications or can't reach or afford treatment in person.

Mindbloom, Nue Life and Wondermed said they decline to treat people who have symptoms that are too severe or histories of conditions such as substance-use disorder, psychosis or uncontrolled hypertension.

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U.S. NEWS

Economy Tops Other Issues In Campaign's Final Stretch

By JOHN McCORMICK

Sean Belveal, a 44-year-old assistant high-school principal in suburban Cleveland who voted for President Biden, thinks his middle-class family shouldn't be struggling so much to pay the bills. It is one reason he is leaning slightly toward voting for Republicans in the midterm elections.

"I try to be very independent-minded, but I feel like at this point I have to vote with my pocketbook, which I hate saying," said Mr. Belveal, a father of three whose wife works at a preschool. "There's no reason that we should be living paycheck to paycheck with two jobs."

Economic pressures are weighing on voters as they lock in decisions for next month's elections. Inflation is near its highest level in four decades, major stock indexes are down sharply from their all-time peaks and mortgage rates have risen to a point not recorded since 2002. Economists say a recession looks likely next year.

Voters often punish the party in power in Washington when financial conditions are challenging, and the economy is shaping up as Democrats' biggest liability in the final stretch of campaigning. Lowering inflation and boosting the economy—top issues for voters all year that polls show are more trusted in the hands of Republicans—are pulling further ahead of other concerns in importance.

Congressional Democrats and Mr. Biden still hope their supporters will be energized by increased restrictions on abortion as a result of a Supreme Court decision in June, efforts to lower the cost of prescription drugs and the fallout from the Jan. 6, 2021, attack on the U.S. Capitol by supporters of then-President Donald Trump, a Republican.

They also have economic bright spots to highlight. Unemployment is at 3.5%, tied with the lowest level in more than 50 years. The national average cost of gasoline has dropped from summer highs, though it has remained elevated in some battleground states.

Data released Friday showed worker pay and benefits climbed in the third quarter from a year earlier—maintaining pressure on inflation—and that Americans stepped up their spending and slowed their saving in September. Government figures released Thursday showed that the U.S. economy expanded at a solid pace in the third quarter. The expansion followed two quarters of contraction as consumer and business demand faced headwinds from rising interest rates.

History suggests that Republicans have an advantage in their bid to regain control of Congress. In post-World War II America, the party controlling the White House has lost on average 28 House seats in the first midterm of a new presidency, according to data compiled by the American Presidency Project at the University of California, Santa Barbara.

For midterms from 1936 through 2018, there has been a correlation between the approval rating of the president and his party's performance in House elections. The American Presidency Project found that presidents with approvals between 40 and 45%, where Mr. Biden has been much of this year, saw their party lose an average of 36 seats.

The University of Michigan Consumer Sentiment Survey, a gauge of household attitudes on the economy, in June marked its lowest reading on record going back to 1952. It has since ticked up, but since the survey became monthly in 1978, a midterm election has

The economy is shaping up as Democrats' biggest liability.

never been held in the midst of such low levels of consumer optimism.

The pain of inflation has been enough to motivate John Shepard to vote in a midterm election. The 40-year-old air-traffic controller said he typically only voted in presidential-election years.

"I'm highly dissatisfied with the economy and the direction this country is going," Mr. Shepard said. He said he voted for Barack Obama, Mitt Romney and twice for Mr. Trump. This year, he said he plans to vote Republican pretty much across the board.

Typically, less than half of the voting-age population casts ballots in midterms. The most recent one, in 2018, was an exception when the number surged to 53.4%.

All year, Republicans' ads have been filled with charges that Democrats have fueled inflation because of spending on pandemic assistance and limits on fossil fuels.

Democrats have countered that more is at work than just government policies, pointing to strong consumer demand, snarled supply chains and Russia's invasion of Ukraine.

Independent voter Carrie Wildman, a 46-year-old dental hygienist who lives in Pikeville, N.C., said pocketbook issues will be at the top of her list in making voting decisions, and because of that, she is leaning Republican.

"We are much better off than lots of people, but we are absolutely feeling it," she said.

Ms. Wildman said she was buying generic items at the grocery store as often as possible, something she rarely did before prices started rapidly rising. Higher costs for airplane tickets has meant that she hasn't been able to afford to see her daughter in Salt Lake City as often as she would like.

"We go to work, and we come home. We can't afford gas to do anything else," said Ms. Wildman.

Watch a Video

Scan this code for a video on how campaigns are portraying the economy.

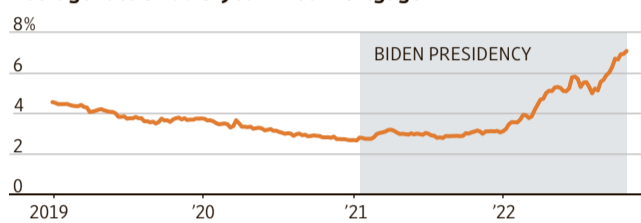


John Shepard, an air-traffic controller in the Phoenix area, says inflation is motivating him to vote, likely for Republicans.

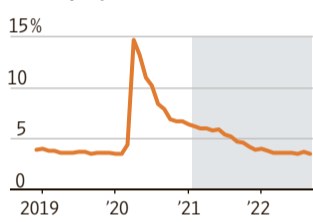


Independent voter Carrie Wildman says inflation, 'We are much better off than lots of people, but we are absolutely feeling it.'

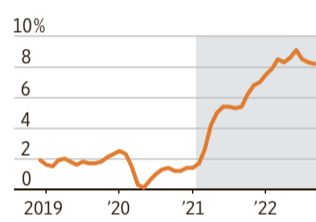
Average rate on a 30-year fixed mortgage



Unemployment rate



Inflation*



*Chart shows the consumer-price index, change from a year earlier. Sources: Freddie Mac (mortgage); Labor Department (unemployment rate, inflation)

GOP's House Odds Improve, With Senate Still Tight

By LINDSAY WISE

Republicans are building momentum in their battle to win the House, while an uneven political landscape in the final days before the midterm elections is creating uncertainty about the extent of the party's gains—and the GOP's prospects for winning control of the Senate.

Republicans have long been favored to win the House majority, given that the party out of power historically gains seats at the halfway point of a new president's first term and President Biden's approval ratings have been stuck below 45% for more than a year amid persistent worries about the economy. Last week, the non-partisan Cook Political Report increased the number of seats it expects Republicans to gain

in the next Congress to between 12 to 25, up from an earlier estimate of 10 to 20 seats.

Cook analyst Dave Wasserman said Democratic House candidates are in genuine danger in blue states such as Oregon, New York, California, Connecticut and even Rhode Island, where Republicans have effectively channeled voter dissatisfaction with Democrats' handling of crime and inflation.

Mr. Wasserman said high gasoline prices, some bad economic reports and the fading of former President Donald Trump from the headlines helped Republicans poll better this fall. He said late-deciding voters might break for Republicans over pocketbook concerns.

"They're making a pretty simplistic evaluation: 'Do I feel

safe in my community and do things cost too much?'" Mr. Wasserman said. "And that's why I think Republicans have an upside with the group in the remaining days."

At the same time, Democrats are holding up well in House districts in red-leaning and purple states such as Michigan, New Hampshire, Kansas and Pennsylvania, where there have been fights over abortion laws following the Supreme Court's reversal of Roe v. Wade in June, Mr. Wasserman said.

The GOP's Congressional Leadership Fund, the super PAC tied to House Republicans, has poured \$175 million into House races—a total that exceeds the roughly \$173.4 million in independent expenditures by both the Democrats' House Majority PAC and the

Democratic Congressional Campaign Committee combined, CLF noted.

"Our strategy from the get-go was to press our financial advantage to expand the map as far as possible," said CLF President Dan Conston. "That's now forced Democrats into tough decisions and given us a real shot to win some long-range bets in places Biden won by even double digits."

Democrats say they aren't ready to write off the House.

DCCC spokesman Chris Taylor pointed Democrats' surprising pundits and prognosticators by winning special elections in New York and Alaska, and by defeating a proposed state constitutional amendment to restrict abortion rights in Kansas.

"This November, voters are going to send Democrats back

to Washington to protect women's freedoms, keep their families safe, and continue investing in an economy that works for all," he said.

In the Senate, Republicans have inched up in polls in several key races in recent days. But Nathan Gonzales, editor and publisher of the nonpartisan publication Inside Elections, said there remains a real chance that Republicans don't win that chamber. Strong Democratic incumbents and stumbles by some untested Republican candidates endorsed by Mr. Trump have kept the fight for the Senate closer than expected, he said.

"Republicans are going to have a good night—we just don't know if they're going to have a great night," Mr. Gonzales said.

The Senate is split 50-50,

and Republicans are defending 21 seats, compared with Democrats' 14. A dozen of those races are considered competitive.

"This is our year," Florida Sen. Rick Scott, chief of the Republicans' Senate campaign arm, said on CNN on Sunday. "The Democrats can't run on anything they've done. People don't like anything they've done."

Sen. Chris Coons (D, Del.) said on "Fox News Sunday" that Democrats are running on their record, pointing to bipartisan legislation to spend money on infrastructure and semiconductors and Democratic-passed laws aimed at lowering drug prices and providing aid to local governments.

"We've got real accomplishments to point to," he said.

In Houston, you're not just a visitor. You're a dinner date, a conversation, a shared passion, a chance encounter, a new friend — you're part of something bigger. Come weave your story into our extraordinary tapestry of cultures.

You're a local.
You're one of us.

Location: Graffiti Park
Mural by: @Empires13
Featuring: Felice @swankymaven
Shanna @yepthatsshan

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U.S. NEWS

Attack Spurs Concerns Over Lawmaker Safety

BY RICHARD RUBIN
AND JIM CARLTON

WASHINGTON—Security arrangements for members of Congress and their families are coming under increasing scrutiny following last week's attack at the home of House Speaker Nancy Pelosi, in which her husband was severely wounded.

U.S. lawmakers say they worry about rising violence against politicians and the ways that heated rhetoric can motivate potential attackers. The attack that left Paul Pelosi, 82, injured at the couple's home in San Francisco renewed worries from some members of Congress about whether the exist-

ing security arrangements outside the Capitol, which focus on congressional leadership, are sufficient to meet the threats.

"All of us, in the wake of this attack on Paul Pelosi, need to say that we are going to stop demonizing folks," Sen. Chris Coons (D., Del.) said on "Fox News Sunday."

The most senior legislative leaders, including Mrs. Pelosi, typically have security details while they are in the Capitol or traveling. That protection generally doesn't extend to most of the 535 members of Congress and the Senate, nor to thousands of their family members spread across the country. Mr. Pelosi didn't have police protec-

tion at the couple's home in San Francisco while Mrs. Pelosi was in Washington.

Authorities say 42-year-old David DePape broke into the Pelosi home early Friday morning, shouted "Where is Nancy?" and demanded to see Mrs. Pelosi. She was in Washington, guarded by a security detail. When law enforcement arrived, they found Messrs. DePape and Pelosi struggling over control of a hammer, San Francisco Police Chief Bill Scott said. The attacker pulled the hammer away and assaulted Mr. Pelosi with it.

Mr. DePape will be arraigned on Tuesday on charges including attempted homicide, assault

with a deadly weapon, elder abuse, threatening a family member of a public official and burglary. Mr. Pelosi had surgery on Friday to repair a skull fracture and serious injuries to his right arm and hands.

Mr. DePape had been involved in nude activism, slept in a bus and espoused various conspiracy theories in recent years before his arrest on Friday.

Many of his recent writings on social media and his public activities offered support for right-leaning conspiracy theories. He posted messages on Facebook saying the 2020 presidential election was illegitimate, and he offered conspiracies related to Covid-19,

according to people in law enforcement who viewed them before his page was removed.

In previous years, he was more affiliated with left-leaning causes. Mr. DePape was a participant in nude protests in the Bay Area, where he was long associated with a self-proclaimed "body freedom activist" named Oxane "Gypsy" Taub, according to Mr. DePape's friends and local media archives. He spent time at her home in Berkeley, Calif., which has a gay-rights flag and advertises treatment for drug addiction, neighbors said.

The number of threats and "concerning statements" investigated by U.S. Capitol Police

has increased in recent years to 9,625 last year from 3,939 in 2017. After the Jan. 6, 2021, attack on the Capitol, the agency added staff to its Dignitary Protection Division and began opening regional field offices in California and Florida.

Lawmakers facing particular threats sometimes get additional protection. In 2017, the Federal Election Commission issued guidance permitting lawmakers to use campaign money for home-security measures. Last year, the FEC permitted the use of campaign money to hire bodyguards.

—Siobhan Hughes
and Natalie Andrews
contributed to this article.

Blackstone Makes Rare Equity Deal

Continued from Page One
lier this year.

Instead, Blackstone had to place the debt itself, selling it off to an assortment of direct lenders and others in a process that took the better part of a month, the executives said. It is a process the firm has undergone before during times of market illiquidity, most recently in the aftermath of the 2008-09 financial crisis, though never with a deal of this size.

Joseph Baratta, global head of private equity at Blackstone, said its ability to get the deal done illustrates the firm's competitive advantage as a trusted counterparty for an array of lenders.

"I think it will take at least six months for the credit market to normalize, and we will continue to transact in this market," he said. "We like to invest in these moments. This is when you can do interesting things."

An investment behemoth with \$951 billion in assets across real estate, private equity, credit and hedge funds, Blackstone might be unique in its ability to break the financing logjam that has kept a lid on big-deal activity in recent months. Jonathan Gray, the firm's president, hinted this month on a conference call with analysts that it was working on creative solutions for putting together debt packages for coming transactions.

"If anyone can get a financing done somewhere, it's us, and I think you'll see some examples of that in the not-too-distant future," he said.

Bloomberg reported this month that Emerson was in talks with Blackstone about a deal involving its residential and commercial business.

Blackstone said it believes the business it is buying would benefit from a shift to more energy-efficient heating and cooling technologies as businesses and consumers upgrade their systems to be more climate-friendly and cost-effective.

The unit, which comprises the majority of Emerson's commercial and residential solutions business, had about \$5 billion in sales during fiscal 2022, which ended in September, and 18,000 employees. The majority of its sales are in the Americas.

Emerson opted to keep its professional-tools products from the division and roll them into its growing automation business.

The deal is the latest in a string of divestitures by St. Louis-based Emerson, which has been focused on streamlining its business and expanding its technology and automation offerings under Chief Executive Lal Karsanbhai.

The industrial technology company, which has a market value of about \$50 billion, recently said it would sell its food-waste-disposal business InSinkErator to Whirlpool Corp. In March, it announced a deal to sell its Therm-O-Disc sensing-and-protection-tech business to One Rock Capital Partners.

Mr. Karsanbhai said Emerson will collect roughly \$18 billion in proceeds from three divestitures this year. He said that Emerson has embarked on a plan to become more of a pure-play automation business, and to create a portfolio that is more cohesive.

"We are aligning to where the growth is," Mr. Karsanbhai said.



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WORLD NEWS

U.N. and Turkey Race to Save Grain Deal

Effort follows Russia's halt to shipments from Ukraine, as concerns about hunger broaden

By JARED MALINS
AND ALISTAIR MACDONALD

ISTANBUL—The United Nations and Turkey scrambled to rescue an agreement that allowed Ukraine to ship grain via the Black Sea, a day after Russia suspended the deal in a move that threatens global food prices and puts pressure on Ukraine's allies.

U.N. Secretary-General António Guterres was working on Sunday to end the Russian suspension, a U.N. spokesman said, and the Turkish defense ministry said it was in talks with Russia to rescue the agreement. No ships left Ukraine on Sunday, but officials from Turkey, Ukraine and the U.N. agreed on a plan for 14 vessels to transit the Black Sea on Monday, the U.N. said.

Russia's decision threatens to raise the cost of food globally, putting economic pressure on Ukraine's Western allies as well as Middle Eastern and Asian countries that are highly dependent on its exports.

That could deepen a global hunger crisis in which tens of millions of people worldwide have been pushed closer to starvation. The suspension of



Cargo ships carrying Ukraine grain earlier this month awaited inspection near Istanbul.

the deal effectively reimposes a full blockade on Ukraine's ports, escalating Russia's use of food as a weapon to pressure Ukrainian allies to cease their support for Ukraine or risk threatening the global food supply.

"This is an absolutely deliberate blockade by Russia. This is an absolutely transparent intention of Russia to return the threat of large-scale famine to Africa and Asia," Ukraine President Volodymyr Zelensky said in his nightly address to the nation on Saturday.

The Russian government said its decision to suspend

participation in the agreement was in response to an attack on a naval base in Sevastopol in occupied Crimea.

"Russia cannot provide security guarantees for the civilian dry cargo vessels participating in the 'Black Sea Grain Initiative' and suspends its implementation from today and for an indefinite period," the Russian foreign ministry said on Saturday.

Russia on Sunday said it recovered wreckage from the Sevastopol drone strike, which it says was mounted with British assistance, a claim the U.K. de-

nies. The Kremlin also said it was adding 11 British overseas territories to its list of countries it considers to be unfriendly for supporting Kyiv against Moscow's invasion.

Ukraine's Black Sea ports are one of the world's most important routes for the export of wheat, corn and other products. Before the war, over 95% of the country's agricultural products were exported through its Black Sea ports. That fell to zero after the invasion. Wheat prices jumped by 46% and corn by 11% in its immediate aftermath.

Grain brokers anticipate an-

other jump in prices when markets open on Monday.

"Russia is using food as a weapon once more," said Elena Neroba, a manager at Maxigrain, a Ukrainian grain broker. "I expect that prices in the Chicago and Paris markets will rocket higher on Monday."

Moscow's move comes at a critical phase in the war, as Ukrainian forces are rolling back Russia's occupation of eastern Ukraine. Ukrainian and Western officials say Russia is using food as a way to pressure other countries to stop sending weapons, supplies and funds to Ukraine. Russia has also cut supplies of natural gas to Europe in what Western officials and analysts say is a part of a strategy of raising economic pressure on the West.

Ukraine's military has captured hundreds of Russian tanks and armored vehicles in recent weeks. Ukrainian soldiers are also closing in on the strategic port city of Kherson, the only regional capital captured by Russia after the February invasion.

The grain-export agreement, signed in July following months of negotiations brokered by Turkey and the U.N., was a rare diplomatic breakthrough in the war. The deal allowed Ukraine to resume food exports from three of its Black Sea ports around the city of Odessa. The agreement prompted world wheat prices

to fall to prewar levels.

The agreement created a safe corridor for ships carrying food products to transit across the Black Sea to Odessa, guided by Ukrainian, Russian, Turkish and U.N. officials at a coordination center in Istanbul. Teams of inspectors also checked the ships as they entered and left the Black Sea through the Bosphorus Strait.

For a time, the Black Sea corridor was a quiet success, helping Ukraine to resume exporting nearly the same amount of grain that it did before the war. Over half of the 6.9 million metric tons of agricultural products, mainly grains, that Ukraine exported in September went through the Odessa ports route now closed off. That export number almost matched the 7.1 million tons exported in September 2021, according to data from Ukraine's Ministry of Agrarian Policy and Food.

The severing of Ukraine's Black Sea exports will deepen an existing crisis in which the Russian invasion, along with the Covid-19 pandemic and global supply-chain chaos, caused rapid food inflation and scarcity around the world. A disappointing U.S. harvest and other factors have also elevated grain costs.

The World Food Program said this year that 50 million people are teetering on the edge of famine.



Firefighters worked at the site of a drone attack in Kyiv in mid-October. Ukraine has pleaded for more air-defense help from the West.

Kyiv's Air Defenses Face Drone Threat

By STEPHEN KALIN
AND MICHAEL R. GORDON

Ukraine is relying on a hodgepodge of air-defense systems to counter the Russian threat from the sky that has intensified with Moscow's use of drones that Ukraine and Western governments say have been supplied by Iran.

Kyiv has pleaded for more air-defense help from the U.S. and other Western backers. The top U.S. military officer, Gen. Mark Milley, and other allied officials have promised to help Ukraine acquire additional systems and connect them into an integrated network. But that assistance is coming slowly, leaving Ukraine vulnerable to continued attacks from drones, cruise missiles and ballistic missiles.

One reason for that is that the U.S. and its allied militaries didn't make air defense a priority after the end of the Cold War. At the time they

saw the main threat coming from insurgents and regional powers and were confident their own air forces could seize command of the skies.

Adversaries such as Iran have sought to exploit this by developing cruise and ballistic missiles as well as drones that are cheap and relatively easy to use.

"The underfunding of air defenses for a generation is really a major issue for most Western allies," said James Rogers, an associate professor in war studies at the University of Southern Denmark and drone expert who recently briefed the United Nations Security Council on the transnational threat posed by drones.

After Ukraine was pummeled by drones and missiles this month, Gen. Milley, chairman of the U.S. Joint Chiefs of Staff, said the U.S. and its partners would help Ukraine build an integrated air defense to cover priority targets. Since then, no timetable has been

set for building such a system. "What Ukraine is asking for, and what we think can be provided, is an integrated air-missile defense system," he said.

Ukraine has used its Soviet-vintage air defense combined with portable Western-supplied missiles such as Stingers to thwart Russian attacks from manned aircraft and helicopters over cities. It has also faced a serious threat from Russian cruise and ballistic missiles launched from land, sea and air.

In May, Gen. Daniel Karbler, commander of the U.S. Army Space and Missile Defense Command, said the conflict had "witnessed the largest use of offensive missile systems in Europe since World War II."

The problem has intensified since then with Shahed-136 and Shahed-131 drones that Ukrainian intelligence says have been acquired from Iran. White House spokesman John Kirby said Iranian personnel have been in Crimea helping to

train Russian drone pilots and to provide technical support. Russia and Iran deny that Iran has supplied the drones.

Ukrainian military intelligence says Russia has ordered 2,400 Iranian drones of all kinds and has taken delivery of a second batch of 300. Defense Minister Oleksii Reznikov has said Kyiv is now bracing for Tehran to supply Moscow with surface-to-surface missiles, which Russia is seeking to give it accurate and far-reaching new firepower as its own inventory dwindles.

The Shahed-136 drones were initially deployed to strike Ukrainian armor on the battlefield, but have since been repurposed to attack Ukraine's electrical grid and other vulnerable civilian infrastructure. Even with its current jumble of air-defense systems, Ukraine says it is increasing its success rate in destroying drones.

—Yaroslav Trofimov
and Stephen Fidler
contributed to this article.

Arms Companies Await Sales Boost

By DOUG CAMERON

There is an \$8 billion gap between what the Pentagon has pledged to send to support Ukraine and its allies, and the contracts awarded to defense companies.

Executives at military contractors said the combination of supply chain hurdles, labor shortages and Pentagon bureaucracy means billions of dollars in contracts won't start to benefit their financial results until late next year and into 2024 and beyond.

Lockheed Martin Corp., maker of the Javelin missiles and Himars rocket launchers deployed in Ukraine, said it would be 2024 before elevated international demand showed up in higher sales. The world's largest defense company by revenue expects sales to be flat next year, before growth resumes.

"The clutch is engaging, but into some lower gears initially," Lockheed Martin Chief Executive Jim Taiclet said on an investor call, referring to the flow of Pentagon contracts.

The Defense Department said its contracting process for Ukraine was now moving faster. "The DoD is prioritizing Ukraine support and replenishment contracts and moving far more quickly than normal given the urgency of those contracting actions," a spokesman said.

The Pentagon said it had committed \$11.8 billion in military assistance to Ukraine since the start of the conflict. Most of the missiles, launchers, armed drones and other munitions have come from existing stockpiles.

Arms sent by the U.S. and its Western allies—notably more than a dozen U.S. Himars launchers—have enabled the Ukrainian forces to retake dozens of settlements and more than 3,500 square miles of Russian-controlled territory in the northeastern Kharkiv region, government officials said.

The Ukrainian forces are also pushing to retake the city of Kherson, the only regional capital occupied by Russian forces since the February invasion.

About \$3.9 billion in new contracts has been awarded to equip Ukraine, replenish U.S. stocks of weapons and backlog those supplied by allies, the Pentagon said. Many of those purchases, such as Nasams missile-defense systems made by Raytheon Technologies Corp., will flow over the next several years rather than in the short term, based on contract terms.

The Pentagon also outlined the expected pace of contracting. For example, the department said the Army has so far awarded 445 contracts for Ukraine replenishment or support valued at more than \$2.4 billion. That amount is expected to rise to more than \$3 billion by the end of the year and \$4 billion by the end of March 2023.

The DoD said its contracting process for Ukraine was now moving faster.

Defense executives said they are looking for more commitments to turn into orders. They also said they need more reassurances that elevated demand now won't turn into what Pentagon acquisition chief Bill LaPlante in September called the "feast or famine" of reduced orders when a crisis passes.

Mr. LaPlante has said the often-complex process of military purchasing has been streamlined, with approvals that once took months now expedited.

"We push money very quickly out to contractors," he told reporters in September.

U.K.'s Winter Forecast Is a Hot Topic as Energy Shortages Loom

By DENISE ROLAND
AND JOE WALLACE

LONDON—The national weather service here is expected to make a big call on Monday: Will Britain's winter be mild and wet, or cold and dry?

The U.K. Meteorological Office is poised to update its seasonal winter outlook. The routine report is typically fodder for weather junkies and ski resorts. Amid Europe's energy crisis, the release is attracting a much wider audience.

A cold, dry and windless winter could drain the continent's natural-gas storage, which Euro-

pean governments scrambled to build up in recent months in an attempt to wean themselves from Russian energy.

"It's going to be scrutinized," said Liz Bentley, chief executive of the Royal Meteorological Society, which is unrelated to the Met Office. The report's potential economic impact "makes it more challenging than normal circumstances," she said.

Weather has become a key factor in Europe's pivot from its reliance on Russian gas after Russia's invasion of Ukraine. In turn, Moscow has largely shut off the spigot. Eu-

ropean officials say they have soaked away enough gas to avoid rationing and blackouts—unless the winter is really bad.

The U.K. is more vulnerable than some other European countries. It has relatively little stored gas, and over the past decade has come to rely heavily on wind power. A period of still weather can reduce wind power and jack up demand for gas.

The monthly update expected on Monday would be among the earliest seasonal outlooks from a handful of well-regarded agencies that

analysts hope can give the world a better feel for how bad the winter might get.

"Once we're in November we start to get a clearer view of the regime we're shifting into," said Luke Boxall, director at The Weather Perspective, a U.K.-based consulting firm, who is a former Bank of America Corp. meteorologist.

Guy Smith, head of gas trading at Swedish utility Vattenfall, said a team of five weather analysts will pore over the U.K. forecast, along with outlooks from two other European agencies expected in November.

While the report is focused on Britain, it has implications for the continent as a whole, in part because of the agency's expertise in modeling something called the North Atlantic Oscillation, important for forecasting weather continentwide.

All that has raised the reputational stakes for the British weather agency, called simply the Met Office here. One of the world's pre-eminent weather services, the 168-year-old institution has long catered to blustery Britain's national obsession over weather.

"Despite the heightened in-

terest at the moment in what the weather has in store for us this winter, this is very much business as usual for the Met Office," said Will Lang, whose title at the agency is head of situational awareness.

Mr. Lang said the agency's "importance and relevance means that the times when we have been perceived to get things wrong have a long legacy."

The Met Office has racked up a decent record so far this year. Its most recent long-range forecast, issued in early October, correctly foresaw mild weather this month.

WORLD NEWS

Dozens Die in Collapse of Crowded Bridge in India

By KRISHNA POKHAREL AND TRIPTI LAHIRI

A suspension bridge collapsed and killed at least 68 people in the western Indian state of Gujarat after the more-than-century-old structure was crowded with hundreds of visitors on Sunday, the state disaster-management agency said.

Officers managing emergency operations for the Gujarat State Disaster Management Authority said that as of late Sunday night, 68 bodies had been recovered. Some 170 people had been rescued and taken to a local hospital in Morbi district, where the inci-

dent occurred. Rescue operations are continuing, the disaster agency said.

Built in the late 19th century during the era of British colonial rule, the bridge has long been a major attraction in the town of Morbi in the western part of Gujarat and reopened to the public last week after undergoing repairs, the state disaster-management agency and locals said. The bridge, which spanned about 760 feet over the Machchhu River, collapsed between 6:30 p.m. and 7 p.m. local time Sunday, Morbi police said.

Tushar Daftary, a Morbi member of the Lions Clubs In-

ternational, a community-service group, said that because of major holidays in the past week, including Diwali and the Gujarati new year, many people were visiting their families in the area. As a result there was an especially large crowd visiting the bridge on Sunday, he said.

The state's chief minister, Bhupendra Patel, said on Twitter that the prime minister had spoken with him about directly monitoring the rescue operation. He also said Gujarat would pay compensation of 400,000 rupees (about \$4,860) to the families of people who lost their lives on the bridge.



Rescuers on Monday search the Machchhu River for survivors after the collapse of bridge.

AJIT SOLANKI/ASSOCIATED PRESS

Ex-Leader Defeats Bolsonaro

Continued from Page One

He thanked God for his stunning political rebirth and seemed to assure those who opposed him, saying he would “re-establish credibility and predictability” for businesses and investors to thrive in Brazil.

Mr. da Silva's victory was met with wild elation among supporters who filled São Paulo's main Paulista Avenue, many draped in the red flag of his Workers' Party. For Mr. da Silva—better known in Brazil as Lula—it was his sixth presidential race since 1989, marking a return to power 12 years after he left office.

Mr. Bolsonaro had faced an uphill battle to remain president, even though he surprised analysts by doing better than expected in the Oct. 2 first round of voting by getting 43.2% of the ballots. Mr. Bolsonaro's opponents criticized him for the government's response to the

Covid-19 pandemic, which has killed nearly 700,000 people in Brazil. And many Brazilians also blame him for a rise in poverty and hunger that now affects 33 million people, according to the Brazilian research group Penssan.

For many voters, Mr. da Silva offered a return to a more prosperous past. In his two terms that ended in 2010, more than 25 million people rose out of poverty, according to the Getulio Vargas Foundation. Many Brazilians for the first time became homeowners and splurged on appliances. Chinese demand for commodities fed an export boom that left Brazil flush with cash, able to pay off international loans and attract the admiration of world leaders, among them then-President Barack Obama, who at a summit referred to Mr. da Silva as “my man” and called him “the most popular politician on Earth.”

Germano Silva, a laboratory technician, recalled how it was under the da Silva years that he could afford to travel by airplane for the first time instead of taking a long bus ride. He put three children through college, thanks to a government scholarship program.

“My vote was one of gratitude,” he said after casting his

ballot. “We hope things will get better now, for us, for everyone—there are so many people in need, unemployed, going hungry, people living on the streets.”

Mr. da Silva in speeches often reminisced about a more promising era when Brazil struck huge oil deposits and the exports of soybeans, beef, orange juice and sugar to China hit record highs. It was a windfall that changed the lives of the poor.

Fausto Ribeiro, a 60-year-old photographer who traveled the country during Mr. da Silva's presidency, said he saw the effects of that up close. “He brought water and elec-

tricity to places that were off the grid,” he said, recalling the jubilation in isolated communities when people switched on a light for the first time.

Mr. da Silva, though, inherits a very different Brazil to the fast-growing country he previously led. Forecasts show Brazil's economy is expected to grow just 0.6% next year, as the country's biggest trading partner, China, slows down. He will also come up against a hostile Congress. While Mr. Bolsonaro lost the presidential race Sunday, scores of his conservative allies swept to victory in congressional and state elections this month.

As a candidate, Mr. da

Silva's challenge was convincing voters who questioned whether he—20 years after first winning the presidency—is still up for the job. The former president's bushy beard has grown gray and his once-wild hair has thinned.

But he is still in his prime, he said on the campaign trail, pointing to his new wife, 21 years his junior, and seeking to dispel rumors about his health after recovering from throat cancer 10 years ago.

“This Lula that you're seeing has more experience than the 50-year-old Lula who won his first election,” he said in a video on social media as he pumped iron at the gym. “He has the energy of a 30-year-old, and the motivation and the lust to fight for this country.”

To win, Mr. da Silva had to overcome the corruption that had tainted the Workers' Party and his own rule. A cash-for-votes scandal in his presidency led to charges against cabinet ministers. Then investigators revealed a widespread kick-back scandal in which large companies paid off politicians in exchange for contracts.

Mr. da Silva was convicted in 2017 of corruption and money laundering as part of what became known as the

Car Wash investigation. A second conviction followed in 2019 while he was still imprisoned. Jailed for 19 months, he was released in November 2019 after the Supreme Court allowed him to go free while he appealed. The court later annulled the convictions. Mr. da Silva denies wrongdoing.

In the end, polls showed voters were more concerned over issues such as unemployment, which rose close to 15% last year. It has fallen to 8.7%.

Amid the celebrations among Mr. da Silva's followers on Sunday night, some Brazilians also expressed alarm over how Mr. Bolsonaro would respond to the loss.

A 67-year-old ex-army captain who served under the 1964-85 military dictatorship, he had repeatedly throughout the campaign said that the vote would be marked by widespread fraud and that he would be robbed of victory, without presenting evidence.

Mr. da Silva pledged to reverse Bolsonaro's policies. For environmentalists, among the most pressing tasks is reducing deforestation in the Amazon. Under the Bolsonaro administration, government data show an area nearly the size of Maryland was deforested.



Mr. da Silva's backers cheer his victory Sunday in Rio de Janeiro.

PABLO PORCUNCUA/REUTERS IMAGES

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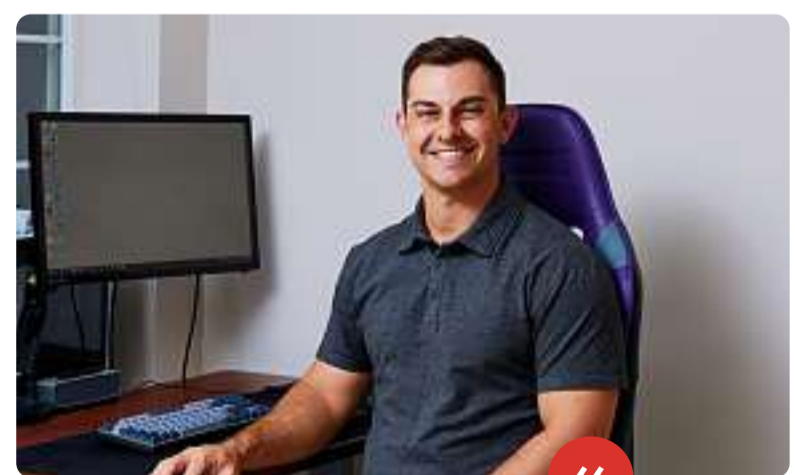
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—Collin Nitcher
Wichita, Kansas

WORLD NEWS

Stampede In Seoul Is Probed

Continued from Page One based on reports of the incident, that authorities didn't appear to have sufficient measures in place to safely manage such a mass of people.

Kim Ji-ae, a 26-year-old Pilates instructor, had been en route Saturday night to take photos of herself at a hotel in Itaewon, dressed as a hotel guest with a bathrobe and her hair tied up with a white towel. Bodies stretched several blocks—probably more than 100, she estimated.

Her friend lent an emergency responder her red lipstick, which was used to mark the stomachs of those who had died so that they could focus on survivors. Before leaving the area, she removed the white towel she had worn as part of her costume and covered up one of the marked bodies.

"I can't forget his pale face," Ms. Kim said.

South Korean President Yoon Suk-yeol called the deaths a truly horrific incident and a disaster that should have never happened. The government will provide financial assistance to those injured and families of the deceased. A national mourning period will run through Saturday with a special venue set up in downtown Seoul to allow people to pay tribute to the victims.

"We will thoroughly investigate the cause of the accident and take measures to ensure a similar accident does not occur again in the future," Mr. Yoon said.

Among the dead, 98 were women and 56 were men, authorities said. Not all of the victims have been identified, prompting Twitter Inc. and South Korea's two largest internet platforms to ask users to refrain from spreading video footage and unverified information.



A woman on Sunday paid tribute to those killed in Saturday's stampede in Seoul's district of Itaewon.

Witnesses described a surreal scene, where some said they initially thought the first responders and bodies covered in blue sheets were Halloween-inspired theater. Itaewon—which was until a few years ago the longtime home to the U.S. military presence in South Korea—sits in the center of Seoul and ranks among the city's most-popular destinations for locals and tourists.

The tragedy likely resulted from poor crowd control, experts said, raising questions over how South Korean authorities had regulated the mass numbers who flocked to the district to celebrate the first Halloween following the relaxation of most of the country's Covid-19 restrictions. Officials had estimated that turnout could reach 100,000.

Local police had dispatched around 200 personnel to contend with the influx of Itaewon visitors. But much of the law-enforcement presence was tasked with investigating drug or sex-related crimes, not crowd management, according to a press release on Thursday from the Yongsan Police Station, whose jurisdiction includes Itaewon.

The first emergency call came in at 10:15 p.m. Saturday.

Emergency responders arrived at the scene two minutes later. But the officials struggled to parse through the sea of people.

The police and firefighters didn't have enough personnel to handle the hundreds of victims, witnesses said. Many at the scene assisted first responders by moving bodies to the main street and performing CPR themselves. Some began live streaming the situation on social media, as the witnesses said people shouted, "Please pull my friend out!" or, "Please save me!"

Walking out of a club near the accident site around 11:30 p.m., Lee Tae-hoon, a 23-year-old university student visiting from Canada, heard a busy firefighter ask if anyone knew how to perform CPR. A former lifeguard, he stepped forward. He tried to resuscitate a young woman. After a few minutes, the firefighter said the woman had shown no signs of life.

The roughly 150-foot walk down the narrow Itaewon alleyway would typically take under a minute. On Saturday night it became clogged with partygoers who inched toward the main street that runs through Itaewon and feeds to

the subway station.

That most people were walking down the sloped side street likely worsened matters, crowd-control experts said. As people up front fell or tripped, the masses in the back would have seen what appeared to have been an opening. Any push forward would have caused even more people in front to topple over one another.

On Sunday afternoon, Itaewon had largely emptied out, with the main road blocked off with yellow barricade tape and police buses lining the streets. Police guarded the funeral hall at the nearest hospital from the Itaewon subway station.

At the alleyway, people had placed on the ground bouquets of yellow and white chrysanthemums—flowers traditionally used at South Korean funerals. One person left a note with their offering: "I hope you achieve your dreams in a better world," it read, addressed to no one in particular.

Lee Sang-won closed his cafe near the accident site early, at around 2 p.m.

"People died in these streets just yesterday, and I can't get the image out of my head," he said.

Charges Leave Suu Kyi Facing Life in Prison

By FELIZ SOLOMON

For 21 months, Aung San Suu Kyi, one of the world's most well-known and polarizing pro-democracy figures, has been locked away by an authoritarian junta in Myanmar. No one can visit her. She can't receive phone calls, letters or anything printed on paper, a person with knowledge of her situation said. Increasingly, it looks like Ms. Suu Kyi is serving a life sentence.

Since Myanmar's military generals ousted her in a coup last year, they have brought a litany of charges against the country's former leader and Nobel Peace Prize winner. Prison sentences followed at a steady clip: two years for alleged incitement and flouting pandemic-linked restrictions; four years on charges including illegally importing walkie-talkies; three years for violating a colonial-era official secrets law and more for alleged corruption and election fraud.

All told, she has been convicted of 14 charges and sentenced to 26 years in prison—actions her lawyers and human-rights groups say are politically motivated. Last week, Ms. Suu Kyi appeared at a court in Myanmar's capital Naypyitaw for a hearing related to five more corruption charges that could add decades to her term.

The sentences appear designed to end the threat posed to the junta by Ms. Suu Kyi, whose epoch-defining political career has been marked by dramatic twists of fate.

Ms. Suu Kyi rose as a democratic icon in the late-1980s fighting a dictatorship that had ruled Myanmar since 1962. She eventually spent 15 years as a political prisoner. In

a stunning political turn, she became the country's de facto elected leader in 2015, but faced international censure in that role for her handling of military atrocities against ethnic minorities.

Now, back as a political prisoner at age 77, the chances of a comeback are remote. The military junta that seized power on Feb. 1, 2021, hasn't shown any signs it is willing to compromise or restart democratization.

Even if she is freed, the country's pro-democracy forces appear to have moved on from her methods of nonviolent resistance and political accommodation. Faced with army violence since the coup, they are waging armed rebellion.

The sentences appear designed to end the threat posed to Myanmar's junta.

"Myanmar is in a civil-war mode, and she just has no place in it," said Khin Zaw Win, a former political prisoner who is now director of the Tampadipa Institute, an independent Myanmar think tank focused on democratization and national policy. "The best of all possible worlds is for her to be released, but retire from active politics and remain as an éminence grise."

Ms. Suu Kyi is vaguely aware of what happened after the coup, the person familiar with her situation said. She has been locked up from the start and since June has been isolated in a small bungalow on a prison compound in Naypyitaw.

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WORLD NEWS

Somalia Terror Attack Kills at Least 100

At least 100 people died when two car bombs tore through a busy Mogadishu intersection, Somalia's president said on Sunday after visiting the site of the attack, the same place where the largest terrorist attack in the country's history killed more than 500 people five years ago.

By **Abdulkadir Fooday** in Mogadishu, Somalia, and **Gabriele Steinhäuser** in Johannesburg

President Hassan Sheikh Mohamud said at least 300 people were hurt in Saturday's twin bombings, which he blamed on the al Qaeda-linked al-Shabaab group that has been trying to overthrow Somalia's U.S.-backed government for more than a decade and a half.

He said the number of victims was likely to increase as rescue workers continued to sift through the rubble. Mogadishu hospitals urged the public to donate blood to help treat the injured, and anxious relatives were frantically searching for their missing loved ones.

"This is the same as what happened five years ago," Mr. Mohamud said. "The same place, the same kind of people."

There wasn't an immediate claim of responsibility for the bombings. Al-Shabaab, which the Pentagon considers al Qaeda's most successful franchise worldwide, often doesn't claim attacks that kill a large



Debris covered a Mogadishu street on Sunday, a day after two car bombings at the site of Somalia's largest terror attack in 2017.

day's bombings were retribution for recent government gains against the militants, who still control swaths of territory in the country.

"The enemy was defeated on the battlefield and they can only kill the innocent people," he said on Sunday.

Samira Gaid, the executive director of Mogadishu-based security think tank Hiraal Institute, said that despite the gains outside the capital, it remains difficult for Somali security forces to protect civilian targets. "[Al-Shabaab's] advantage is to operate as an insurgency and to target soft targets," she said.

The first explosion hit the outside of the Education Ministry around midday Saturday, the first day of the Somali workweek and at a time when the capital's roads are packed with cars, motorized rickshaws and minibus taxis. Known as KM5, the intersection is one of the busiest in Mogadishu and popular with money changers and other street vendors.

Around 10 minutes later, a second bomb detonated outside a crowded restaurant and damaged nearby buildings.

The Somali Journalists Syndicate said one journalist was killed in the first blast and two others rushing to report on the scene were injured when the second bomb went off. Abdikadir Abdirrahman, the director of the local Aamin ambulance service, said one of his drivers and a nurse were also hurt in the second explosion.

number of civilians. In August, the group killed more than 20 people in a dayslong siege of a Mogadishu hotel and has since launched multiple attacks outside the capital.

Mr. Mohamud came into office in May pledging to step up the fight against al-Shabaab. That same month, President Biden ordered several hundred U.S. troops to return to Somalia, where they train local commandos, reversing a

decision made by President Donald Trump in January 2021 to withdraw all U.S. forces.

The U.S. has conducted a quiet special-operations campaign against al-Shabaab since 2007.

After Mr. Trump's decision to withdraw U.S. troops, the U.S. forces were sent to Djibouti and Kenya and had made periodic training visits to Somalia.

The insurgency is exacerbating a hunger emergency in Somalia, caused by the worst drought to hit the Horn of Africa region in at least four decades. The United Nations last week said some 900,000 Somalis in urgent need of humanitarian assistance are in territories controlled by al-Shabaab and appealed to the group to create aid corridors.

Nearly half of Somalia's 16 million people are facing severe food shortages, and aid groups estimate thousands have died from hunger-related causes this year. The U.N. warned in September that a famine could be declared for parts of southern Somalia between October and December. A formal classification of famine means two out of every 10,000 inhabitants die from hunger a day and about one in every three children is acutely malnourished.

Mr. Mohamud said Saturday

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Mr. Mohamud said Saturday

Restrictions Against Covid Cloud Hong Kong Summit

By **ELAINE YU** AND **JING YANG**

Hong Kong will attempt to show it is back in business with a financial summit and premier rugby tournament this week, as strict pandemic controls have led to an exodus of talent and business from the city.

But with most visitors still being forced to take PCR tests on arrival and banned from bars and restaurants for three days, business leaders say the two events intended to serve as marquee attractions for the Asian financial hub are likely to fall flat.

"The overall feedback we got was: Thanks, but call us when you are actually opened up," Johannes Hack, president of the German Chamber of Commerce in Hong Kong, said of how people feel about business travel to the city. As long as the restrictions are in place, "no one can come to Hong Kong with the peace of mind that their schedule won't be impacted," he added.

The Hong Kong Monetary Authority, the city's de facto central bank, sees its financial summit on Nov. 2-3 as an important way to pitch the city's future to Wall Street.

The event will be followed by the Hong Kong Sevens rugby tournament, which has

for years drawn executives from global banks and corporations, but hasn't been held since 2019.

The city has a lot riding on this year's events. More than a third of the fund managers surveyed by the Hong Kong Investment Funds Association in July had moved some or all of their regional or global posts from the city to other offices. About two-thirds of them said it has been "extremely difficult" or "difficult" to attract and retain people to work in such positions in Hong Kong.

Business leaders in Hong Kong say the events are unlikely to provide convincing evidence that the city has returned to normal.

"It may be counterproductive if you're inviting people to see how open Hong Kong is, and they are restricted," said Evaristo Treviño Berlanga, partner at La Nao Consulting, which provides services to firms looking to enter or expand in China's market.

Hong Kong uses what it refers to as a "0+3" system, meaning those arriving in the city no longer need to quarantine but they can't enter bars and restaurants for three days. Visitors who test positive for Covid-19 on arrival are generally ordered to isolate for seven days, or risk jail time.

The HKMA has said senior

executives attending the financial summit can opt to leave Hong Kong—on a private jet—if they test positive. The top executives attending the summit will be allowed to enter restaurants as long as they stay in a private room. These options aren't available to most people.

"What is more important is to look beyond the November summit," said Sally Wong, chief executive officer of the HKIFA. She said it was crucial that the city gets to a place where all levels of staff can travel without restrictions.

"We all want to get to 0+0 and until then, there's going to be some friction," said David Graham, executive director of the British Chamber of Commerce in Hong Kong. "It's not ideal. That said, I'm also aware of an increasing number of senior people coming into Hong Kong over the next month. So there's definitely some momentum building," he said.

The summit, "Navigating Beyond Uncertainty," starts with a tour and welcome dinner on Tuesday at Hong Kong's M+ art museum. On Wednesday, the chief executive officers or chairmen of Morgan Stanley, Goldman Sachs Group Inc., UBS Group AG and other firms will speak at panels at the Four Seasons



The HKMA sees its financial summit as an important way to pitch the city's future to Wall Street.

hotel, with more top asset managers scheduled to speak the following day. The chief operating officers of Blackstone Inc. and JPMorgan Chase & Co. are also speaking at the event.

Jane Fraser, Citigroup Inc.'s chief executive, was set to speak at the summit but has contracted Covid-19, forcing her to cancel her trip to Hong Kong, the bank said. Paul Chan, Hong Kong's financial secretary, also caught the virus while on an official trip to Bahrain and Saudi Arabia, the government said Thursday.

John Lee, Hong Kong's new leader, will give a keynote speech at the event. Some

overseas Hong Kong activists and U.S. lawmakers have criticized American bankers for meeting with Mr. Lee, who is under sanctions imposed by the U.S. government over alleged human-rights violations in Hong Kong. Mr. Lee has repeatedly said he would "scoff at the sanctions."

YouTube blocked Mr. Lee's campaign account before he took office this year, citing the U.S. measures.

While some executives will stay for around a week to meet clients and employees, several others will make a quick stopover in the city, staying for less than 24 hours because they didn't have suffi-

cient advance notice to make more time in their schedules, according to people familiar with the matter. The city announced the scrapping of hotel quarantine rules in late September.

Bernard Chan, a former top government adviser, said that before Hong Kong authorities could end the restrictions, they would need more data showing that further relaxation of the rules won't burden the broader public-health system.

But he added that Hong Kong needed to act fast to remove the remaining restrictions, especially Covid-19 tests for arrivals.

WORLD WATCH

THE PHILIPPINES

Mudslide Victims Feared Tidal Wave

Victims of a huge mudslide set off by a storm in a coastal village that had once been devastated by a killer tsunami mistakenly thought a tidal wave was coming and ran to higher ground where they were buried alive by the boulder-laden deluge, an official said.

At least 20 bodies, including those of children, have been dug out by rescuers in the vast muddy mound that now covers much of Kusiong village in southern Maguindanao province, among the hardest-hit by Tropical Storm Nalgae, which blew out of the northwestern Philippines early Sunday.

Officials fear 80 to 100 more people may have been buried by the deluge or washed away by flash floods in Kusiong between Thursday night and early Friday, said Naguib Sinarimbo, the interior minister for a Muslim autonomous region run by former guerrillas.

—Associated Press



Rescuers on Sunday carried the body of a victim of a huge mudslide in Maguindanao province, southern Philippines.

LEBANON

President Departs, Leaving Political Void

President Michel Aoun left Lebanon's presidential palace, ending his six-year term without a successor, leaving the small nation in a political vacuum that is likely to worsen its historic economic meltdown.

As Mr. Aoun's term ends, the country is being run by a caretaker government after Prime Minister-designate Najib Mikati failed to form a new cabinet following May 15 parliamentary elections. Mr. Aoun and his supporters warn that such a government doesn't have full power to run the country, saying that

slammed his car into a bus stop in the occupied West Bank—the latest in a monthslong wave of deadly violence that shows no signs of slowing.

The incident came a day after a Palestinian gunman killed an Israeli man near a Jewish settlement in the West Bank, and two days before Israel holds national elections.

Israeli forces on Sunday said they would dismantle the gunman's home. In Sunday's violence, the Israeli military said the Palestinian driver drove his car toward a group of soldiers at a bus stop near the Palestinian town of Jericho, and then continued to a nearby intersection where other soldiers were standing.

It said five soldiers suffered light or moderate injuries. It said an Israeli police officer and armed civilian were at the scene and shot the motorist.

The suspect was pronounced dead at an Israeli hospital. The Palestinian Health Ministry identified him as a 49-year-old resident of Azariya, a Palestinian town east of Jerusalem.

Israeli forces shot and killed a Palestinian motorist who

—Associated Press

ISRAEL

Forces Kill Palestinian Who Struck Bus Stop

Israeli forces shot and killed a Palestinian motorist who

SWEDEN

Escaped Cobra Slithers Back Home

A venomous seven-foot king cobra that escaped its home in a Swedish zoo has returned home, ending a weeklong saga.

"Houdini, as we named him, has crawled back into his terrarium," CEO Jonas Wahlstrom of the Skansen Aquarium told the Swedish public broadcaster SVT on Sunday.

The snake, whose official name is Sir Vass, or Sir Hiss, escaped on Oct. 22 via a light fixture in the ceiling of its glass enclosure at the aquarium, part of the zoo at the Skansen open-air museum and park on Stockholm's Djurgården island.

After an intensive search with X-ray machines, the cobra was located in the insulation between two walls. Holes were drilled, but the cobra disappeared from the view of the X-ray cameras early Sunday.

The park said the snake wouldn't have survived the cold if it had gotten out of the building.

—Associated Press



ILLUSTRATION BY RYAN INZANA



BONDS
ELIZABETH
BERNSTEIN

Mary Ann Cleary has a repertoire of coping skills to keep her anxiety in check: Meditation. Journaling. Taking walks around her Chicago neighborhood.

And watching slasher flicks. "Horror gets my mind off whatever I'm worried about," says the 31-year-old therapist, who regularly curls up on her couch with her two cats after stressful days at work to watch movies such as "Sinister," "Misery" and "The Texas Chainsaw Massacre."

"If I'm going to be scared, I might as well make it fun."

Millions of people love to frighten themselves on purpose—with hair-raising entertainment such as scary movies and TV shows, spooky novels or video games, true crime podcasts and haunted-house attractions.

Now, research on the phenomenon of chasing fear for fun, or "recreational fear," is showing that it has significant benefits: It can help us bond with others, soothe our stress and anxiety, and maybe even become more resilient.

Fear, or the emotional response to a threat (real or perceived), ex-

ists to alert us to danger. When we're scared, our sympathetic nervous system, which is in charge of our fight or flight response, floods our body with adrenaline and our brain with neurotransmitters such as dopamine and norepinephrine, which can lift our spirits and energy.

This is why a good fright can boost our mood—as long as we know there's no actual threat, says Margee Kerr, a sociologist at the University of Pittsburgh and author of "Scream: Chilling Adventures in the Science of Fear." Dr. Kerr's research has found that people who visit "extreme" haunted houses (think actors grabbing participants, zapping them with shocks) often feel less stressed and tired, more competent, and that they're in a better mood afterwards.

And researchers at the Recreational Fear Lab at Aarhus University in Denmark, founded in 2020 to study the positive effects of fear, have shown that horror movie fans exhibited greater psychological resilience during the pandemic than people who never watch scary movies. They believe that doing something scary for fun helps people manage their real-life fears by teaching them how to reg-

Making Yourself SCARED SILLY Is Good for You

ulate their reactions.

"It's similar to putting a fighter pilot into a simulator," says Matthias Clasen, director of the lab and an associate professor of literature and media at Aarhus University. "You learn what the emotions feel like and how to control them."

A scary experience doesn't have to be violent or gory to produce emotional benefits. Entertainment can be suspenseful, startling or spooky without a drop of blood. A haunted house tour, late-night ghost story or a good mystery can all do the trick.

Who enjoys being scared? There's no typical fear fan, although they tend to be younger and many report being anxious types, says Coltan Scrivner, a research scientist in the Recreational Fear Lab. Dr. Scrivner believes that anxious people enjoy a manufactured scare because it gives them a feeling of control over a fictional threat. They can manage their fear by closing their eyes or taking a break.

In a study published online in August, Dr. Scrivner and col-

leagues identified three types of horror fans: Adrenaline junkies get a thrill, and an immediate mood boost, from the intense experience. White knucklers are genuinely afraid: They don't get a mood boost but say they learn something about

themselves and grow as a result of pushing beyond their comfort zone. And dark copers, who use horror to work through their difficult emotions, get a mood boost and say they develop as a person.

(Dear reader, aren't we all dark copers these days?)

If you're up for a good scare, here's how to boost the benefits of being frightened.

Start slow.

To reap the benefits of recreational fear, you must enjoy the activity, Dr. Clasen says. If you're not a seasoned fan, don't begin with the most extreme entertainment. "Try the milder stuff first—a kid's horror movie or a neighborhood haunt where you can see the zipper on the monster's back," says Dr. Clasen.

A suggestion from Dr. Scrivner: Look for a scary version of something you already enjoy, such as

books or podcasts.

Make it a group venture. Scary pursuits are fun to do with others. And feeling vulnerable together can make us feel more connected.

Sharing the activity with someone close to us may also amplify the experience. In yet-to-be-published research, Dr. Clasen's team found that people who went to a haunted house with someone close to them were less inhibited and more likely to copy each other's emotions, something researchers call emotional contagion.

Aim for sweet spot.

Scariest isn't always better. Research shows that you want to be frightened enough to be stimulated but not so terrified that you don't enjoy the experience.

Some will find the right balance on a midnight cemetery ghost tour. Others while listening to a true crime podcast in broad daylight on their couch.

Each year, Ms. Cleary, the slasher-film fan, goes to see the latest movie in the "Halloween" franchise with several friends.

"It's bonding to feel so vulnerable," she says. "Often, that's not something you get to see in other people."

Now, she's trying to decide which horror movie she'll watch next. The only one she knows she'll never enjoy? "Arachnophobia."

"I draw the line at spiders," she says.



Kids' Mental-Health Screens Raise Issues

By ANDREA PETERSEN

Mental-health screenings for kids are expanding across the country. But as more children are identified as needing assistance, families can face a tough time getting help from resources that are already stretched thin.

A mental-health crisis among children and teens that had been brewing for years worsened as routines were disrupted in the pandemic and many kids faced isolation and loss. Schools have added or expanded screenings for mental health or emotional well-being, and earlier this month, a panel of medical experts recommended children and teens ages 8 to 18 be screened for anxiety disorders. That follows a March recommendation from the American Academy of Pediatrics that pediatricians screen adolescents ages 12 and older for suicide risk.

Families are now grappling to understand the new wave of assessments and what to do if a problem surfaces. Child psychologists and psychiatrists often have months-long wait lists, and many providers don't take insurance, leaving families on the hook for fees. And schools have limited resources to deal with mental-health issues. On average, there is one school psychologist for every 1,200 K-12 students, according to the National Association of School Psychologists.

Schools and doctors are trying to address the gap. Some schools are

adding therapy groups, teaching kids ways to manage difficult feelings or expanding training for mental-health staff. Pediatricians are coaching families on habits that can improve mental health, such as getting enough sleep, exercise and healthy foods, or are teaching patients emotional coping strategies.

"The next challenge is going to be what do you do when you identify somebody who is at risk. That is tougher," says pediatrician Katherine Williamson of Children's Health of Orange County, in California. "Mental-health resources are incredibly limited."

Some schools say they are screening only a subset of students for mental-health issues because they know they won't be able to meet the increased demand that the assessments will reveal.

"If we screen 700 kids for anxiety, we know probably 35% to 40% will come back positive and then what do you do with that? We can't clinically support that," says Ryan Sherman, director of wellness at Medway Public Schools in Massachusetts. Dr. Sherman notes that psychologists and psychiatrists in their area of the state also have long wait lists for appointments.

Last year Medway decided to screen only chronically absent seventh- and eighth-graders for anxiety disorders, since those are years when anxiety among students rises, Dr. Sherman says. Students found to have moderate or severe anxiety

were invited to enroll in a weekly group that discussed ways to cope. The groups are expanding this year to focus on helping children practice techniques to manage anxious thoughts and feelings.

As screenings gain traction, families may see a range of approaches to how their children are evaluated.

At doctor's offices, questions about mood and behavior are often asked alongside queries about school and friends. If the answers

traumatic stress symptoms. Other schools use questionnaires that cover general social and emotional well-being: Children may be asked how connected they feel to their schools, how willing they are to keep trying when they face obstacles and how optimistic they are, says Erin Dowdy, a professor in the counseling, clinical and school-psychology program at the University of California, Santa Barbara.

Dr. Williamson of Orange County



indicate a problem in a specific area, like depression or anxiety, the doctor will likely follow up with questions about those particular mental-health conditions, says Rebecca Baum, a developmental behavioral pediatrician and clinical professor of pediatrics at the University of North Carolina School of Medicine.

At schools, some screen for specific problems like anxiety, suicidal thoughts and behaviors, or post-

traumatic stress symptoms. Other schools use questionnaires that cover general social and emotional well-being: Children may be asked how connected they feel to their schools, how willing they are to keep trying when they face obstacles and how optimistic they are, says Erin Dowdy, a professor in the counseling, clinical and school-psychology program at the University of California, Santa Barbara.

Dr. Williamson of Orange County

with a child psychiatrist or psychologist. During the waiting time, Dr. Williamson says she helps families focus on making sure their child is getting adequate sleep, exercise and nutrition, all of which can affect mental health. If there's a risk for suicide, she'll advise parents to remove any firearms from the home and secure medications. Children who are actively suicidal, meaning they are considering a method and formulating a plan, are sent to the emergency room.

Some pediatricians teach patients brief techniques from cognitive behavioral therapy, an effective treatment for anxiety and depression, such as relaxation exercises and ways to adjust the negative thoughts that can fuel distress. Pediatricians also treat children and teens with antidepressant medications, such as Prozac and Lexapro.

Parent groups in some districts have pushed back on mental-health screening, expressing concerns about medical privacy and questioning schools' role in students' mental health.

Others welcome the measures. "I think it's good to detect if kids have emotional distress, anxiety. Sometimes it doesn't come out to the parent and the parent can't see it," says Jordan Denslow, a mother in Fairfield, Conn., whose 11-year-old son's school does social and emotional screening.

Fairfield Public Schools says its approach isn't meant to identify mental health disorders but is intended to measure skills including "self-management" and "goal-directed behavior," according to a statement from a district official.

► *Do you need help?* The contact number for the Suicide & Crisis Lifeline is 988.

PERSONAL JOURNAL.

Younger Women Seek to Balance Ambition, Life



WORK & LIFE
RACHEL FEINTZEIG

Deijha Martin, 26 years old, works as a data analyst from her Bronx, N.Y., apartment. On workdays, she'll chip away at a task until 5:10 p.m. or 5:20 p.m., but never six. She loves travel, and earlier this year tapped her company's unlimited vacation policy to jet to Greece and France.

Having boundaries is a priority, but make no mistake: She's plenty ambitious. "I definitely do want to make money," she says, so that she can fund the things she loves to do. "It's just, not really fighting with anyone to get to the top."

The pandemic's shake-up of work and life has had lasting effects on ambition for a lot of women. For some, the last years have prompted a reassessment of how much they're willing to give to their careers at the expense of family time or outside interests. For others, many of them younger professionals, seeing the ways other leaders have allowed work to subsume their lives is a turnoff. And after a spell of workplace flexibility few would have imagined before 2020, many women are now asking the question: Can you get ahead and still have a life?

"The company's not hinging on your ability to answer an email at 11 o'clock p.m.," says Alexis Koepfen, a 31-year-old technology worker in New Orleans. "The work will always be there for you."

She quit an intense consulting job in Washington, D.C., moved to New Orleans to be with her boyfriend and switched to a remote role that gives her time to walk her dog, a pandemic addition, and exercise. Instead of taking on ex-

tra work, she's leaning into trips with friends, weddings, parties. "We didn't get to for so long," she says.

Plenty of men are rethinking their relationship with work, too. Women face a particular combination of pressures and penalties at home and on the job. They shoulder far more housework and child care, according to government data, and research shows colleagues perceive them as less committed to their jobs when they get pregnant.

Getting ahead without being always-on might be a hard ask.

"The workplace is still designed for people where work is the No. 1 priority all the time," says Ellen Ernst Kossek, a management professor at Purdue University who studies gender and work.

Workers who make themselves constantly available receive better performance evaluations, more promotions and faster earnings growth, adds Youngjoo Cha, a professor of sociology at Indiana University Bloomington. The current economic moment, marked by inflation and the threat of recession, makes the idea of pulling back at work risky yet enticing.

Kim Kaupe, 37, an Austin, Texas, co-founder of a marketing agency, says she has constructed an email template, which she fires off at least once a month, declining new work opportunities to preserve time for her personal life.

Still, she worries. "You think, 'Are they going to think I'm not a team player?' Or not come back to me with opportunities, or think I'm ungrateful?" she says.

Almost two-thirds of women under 30 surveyed by McKinsey & Co. and LeanIn.Org, the nonprofit founded by Sheryl Sandberg, say



AARON DURBALL FOR THE WALL STREET JOURNAL

About
43%
of female leaders say they are burned out, survey data show, compared with
31%
of male leaders.



they would be more eager to advance if they saw senior leaders who had the work-life balance they desire. A good number of senior women leaders themselves aren't happy either. About 43% of female leaders say they are burned out, the survey data show, compared with 31% of male leaders.

Ms. Koepfen says she once aspired to reach the C-suite, but seeing top management up close changed her mind. "I don't want to be those people," she says. "They don't seem happy to me."

While some younger women seek a finite workday, baby boomers and Gen Xers wonder whether they could have done things differently and still gotten ahead.

"I don't know that I did it the right way," says Jory Des Jardins, a 50-year-old marketing executive, who describes dropping everything for her career and delaying a

family until her late 30s.

A co-founder of BlogHer, an online community for women, she spent years traveling frequently for work, transporting her breastmilk home to the San Francisco Bay Area after she had two daughters at age 38 and 40. Her husband paused his career to stay home.

"We wanted to show women it could be done and that we could run a business," she says of the BlogHer leadership.

Ms. Des Jardins eventually sold her company, and tried to dial back professionally. But she had set a precedent as an all-in worker. The opportunities that came her way required flying to New York every week and prioritizing an investor meeting over all else.

The pandemic gave her a chance to derive comfort from her

family instead of achievements, to unapologetically embrace her whole life, she says. Now she's wondering, what next?

"If you're not integrating your life along the way, you kind of have an identity crisis later," says Ms. Des Jardins, who now works for a startup. "Would it have been that awful if we had taken a little time? Would we have completely taken a step back? I don't think so. But that was a bet that we weren't going to take."

Loria Yeadon, a lawyer who rose to be the chief executive of the YMCA of Greater Seattle, remembers the moment 15 years ago when, rushing to her child's kindergarten graduation, her company's general counsel rang. Ms. Yeadon said she had 10 minutes to talk. The conversation stretched for an hour as she watched the ceremony from the back of the room. She says she didn't feel the freedom to hang up.

Looking back, she wishes she had. "I think today I would just ... trust that there would be another job, or that I'd be fine where I am," she says.

PERSONAL TECHNOLOGY | NICOLE NGUYEN

Garmin Watches Win Devotees

Long battery life, GPS, training features work for athletes

I SEE GARMIN'S sensor-packed smartwatches everywhere. Most riders in my cycling group wear them. On a recent trip to a 30-person refuge in the Alps, I counted no fewer than 11 Garmin wearers. My husband, Will, has worn one daily for years.

For sporty types, there's a cultish aura around the chunky, rugged smartwatches, despite their notoriously hard-to-use controls. Garmin makes up less than 5% of the smartwatch market, but Apple and Samsung are eager to win over its dedicated athlete fan base.

Most smartwatches double as fitness trackers, offering GPS, heart-rate and sleep tracking. Garmin wearers tend to spend lots of time outdoors doing activities that require long battery life, accurate GPS tracking, mapping capabilities and advanced training features.

Garmin's watches aren't as connected as rival smartwatches, although they work with both iOS and Android platforms, and do have some smart functionality, such as contactless pay and notifications for calls and texts.

Globally, Apple Watch accounts for over 36% of wearables sold, followed by Samsung with 10%, according to Counterpoint Research. But in the premium, over-\$500 category, Garmin is the leader.

This year, Samsung released a \$450 Galaxy Watch 5 Pro, while Apple launched a \$799 Apple Watch Ultra. The new watches have more rugged cases and bigger batteries, but neither is a Garmin killer. Here's why.

► **Battery life:** Garmin's Fenix series (starts at \$700) can last over a week and a half with normal use, and three days while tracking GPS on a single charge. A built-in solar charging panel provides even more juice, so long as it's sunny. Another model, the Enduro 2 (\$1,100) optimized for ultra-long-distance racers, can last three times longer in each of

those scenarios. Even the relatively lightweight Fore-runner 955 (\$600 and up) lasts nearly two days while recording GPS. For most Garmin models, the big reason for the longer battery life is the lack of a touch screen. The few that do have them allow you to turn them off for power savings.

The Apple Watch Ultra, meanwhile, lasts about a day and a half with normal use. With a low-power workout mode, which reduces the

watch shows metrics such as vertical feet climbed. The watch also suggests how many hours you should rest after each workout, based on the activity's intensity and your sleep quality.

Recovery features are largely missing on Apple Watch. Apple's emphasis on "closing your rings" daily doesn't reflect many athletes' reality—that intense sports require a mix of training and rest to avoid injury.



NICOLE NGUYEN/THE WALL STREET JOURNAL

Multiple satellite systems increase location accuracy.

frequency of GPS and heart-rate sampling, it can run two and a half days. Samsung claims about three days for its Galaxy Watch 5 Pro.

► **Physical buttons:** Generally, touch screens are easy to navigate. But when you're moving, or when your fingers are wet (e.g., sweating), tactile buttons are best for starting and stopping activities, and scrolling to see different metrics. That said, Garmin's many buttons can also make performing simple tasks feel complicated.

► **Training, competition and sport-specific features:** Garmins can tell you how fast you should run during a race. For noncompetition sports, such as surfing, Garmin can report wave height and speed, while for

Other, more basic health wearables, such as those from Fitbit and Oura, incorporate a "readiness score" that offers insight into your body's recovery. Some third-party apps for the Apple Watch offer similar functionality, for a monthly fee.

► **GPS navigation:** Many Garmin watches use multiple satellite systems to increase location accuracy in difficult environments. Garmins can help if you get lost, with preloaded topographic maps.

Apple's step-retracing Backtrack feature could help if you get lost, but it won't help you find your way on an unfamiliar route. Samsung's watch allows you to import map files, but won't help with routing.

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ARTS IN REVIEW



NATIONAL GALLERY OF ART, WASHINGTON (4)

ART REVIEW

An Artist's Iberian Enchantment

A dazzling show highlights John Singer Sargent's enduring fascination with Spanish art and culture

By BARRYMORE LAURENCE SCHERER

Washington

During the 1870s, John Singer Sargent (1856-1925) studied in the Paris atelier of the painter Carolus-Duran (1837-1917), one of the pre-eminent society portraitists of the Third Republic, who honed young Sargent's gift for the kind of virtuoso portraiture that would make his fortune. Carolus also sowed the seeds of Sargent's fascination with Spain, imparting to his star pupil not only his own deep devotion to the work of Baroque master Diego Velázquez and to Spanish painting in general, but also his love of Spanish folk life and music.

Now the National Gallery of Art sheds dazzling light on the painter's abiding love of the kingdom south of the Pyrenees.

Through Jan. 2, 2023, "Sargent and Spain" features some 140 oils, watercolors, drawings and photographs selected from a broad array of public and private collections by Sarah Cash, NGA associate curator of American and British paintings, working in concert with two of the world's leading Sargent authorities, Elaine Kilmurray and Richard Ormond, co-authors of the Sargent catalogue raisonné. The show—which travels in February to San Francisco's Legion of Honor museum—and its lavish exhibition catalog examine for the first time this captivating aspect of the artist's vast legacy, his profound engagement with the diverse historical panoply of Spain's colorful people and their distinctive culture.

Wonderfully intensive, the show highlights Sargent's embrace of Spain's grand old masters; his fascination with Spanish dance and music, architecture, daily life and landscape; and finally the influence of Spanish art on his great "Triumph of Religion" murals for the Boston Public Library. There are surprises aplenty, among them Sargent's 1912 oil "Sierra Nevada." The dispassionate spaciousness of this late-day panorama of the snow-capped range viewed from near the Alhambra ironically makes it the most American looking of any Sargent landscape—not recalling the spirituality of Albert Bierstadt's Yosemite scenes but anticipating the cool candor of Ansel Adams's Sierra photography, except that this scene is 5,000 miles from California.

In 1879, after triumphantly submitting to the Salon his flamboyant portrait of Carolus-Duran, Sargent departed Paris for Spain, the first of seven lengthy trips he would make there through 1912. He documented these Iberian travels in a major body of work consisting of over 225 oils, watercolors and drawings, as well as sketchbooks and scrapbooks. In addition, Sargent amassed a collection of some 200 photographs, several of which he likely took himself.



Clockwise from top: John Singer Sargent's 'Sierra Nevada' (1912); 'La Carmencita Dancing' (1890); 'Alhambra, Patio de los Arrayanes (Court of the Myrtles)' (1879); and 'A Marble Fountain at Aranjuez' (1912?)



On the first extended visit, Sargent remained in Madrid for a month, enrolling as a copyist at the Prado Museum where he absorbed Velázquez and his manner into his personal technique. The opening gallery includes Sargent's own interpretation of Velázquez's royal group "Las Meninas," its crepuscular spatial depth influencing Sargent's approach to the long, shadowy chamber in his "Venetian Interior" (c. 1880-82) hanging nearby.

Sargent's architectural studies repeatedly evoke the subtle shifting of the bleaching Spanish sunlight and his love of Spanish Renaissance ornament. His watercolor "Tomb at

Toledo" (c. 1903?) shows the melow, sunbathed interior of the church of the Hospital of St. John the Baptist surrounding 16th-century sculptor Alonso Berruguete's monumental tomb for Cardinal Juan Pardo de Tavera. Sargent carefully indicates most of the detail in pencil lines, with simple brushstrokes of gray wash against the warm tones of venerable marble walls and pilasters. Closer inspection of this and of his oil "A Marble Fountain at Aranjuez" (1912?) reveals the wealth of subtle colors with which Sargent achieved his rich vocabulary of marmoreal whites.

As Sargent adored music—he was an uncommonly gifted pia-



His love of Spanish folk life and music is profoundly evident in the works on view.

nist—his ears as well as his eyes continually responded to Spain's fabled allure. His dance imagery thus presents some of the most unforgettable of the show's offerings. If the master society portraitist represents the Anglo-American body language of wealth and refinement, his work in Spain exudes the seductive rhythms and unbridled sensuality of flamenco. While Sargent contemporaries like Manet and Degas paint dancers in static poses, Sargent captures their kinetic energy in action. In terms of sheer figure drawing, Spanish dance, which Sargent loved, opened him to a new vocabulary of complex, active postures. His numerous preparatory sketches show how thoroughly he studied these vigorous movements.

Interestingly, one of the show's two c. 1879-80 oil sketches of a "Spanish Roma Dancer" is inscribed "à mon ami Chabrier" and was presented by Sargent to Em-

manuel Chabrier in 1884, likely to celebrate the 1883 premiere of the composer's orchestral rhapsody "España."

Adding to this show's historical immediacy, near Sargent's formal 1890 portrait of the famous dancer La Carmencita, a small video monitor plays Thomas Edison's 1894 film of Carmencita actually dancing.

Although it proved impossible to bring Sargent's immense canvas "El Jaleo" from Boston's Isabella Stewart Gardner Museum to exhibit alongside its preparatory sketches here, this exhibition takes us beneath the familiar polished surfaces of Sargent's public performances to reveal the exceptional degree of study and labor he lavished on his greatest Spanish essays. Every sketch opens our eyes to Sargent's minute observation of movement—expressive arm and hand gestures, spines arched backward, torsos twisting, flashing eyes and brilliant smiles. To study these underscores how misguided some have been to believe Sargent's oeuvre merely the product of facile virtuosity.

Sargent and Spain

National Gallery of Art, through Jan. 2, 2023

Mr. Scherer writes about music and the fine arts for the Journal.

SPORTS

Baseball's Most Volatile Overachievers

The Philadelphia Phillies' approach to roster building stands in contrast to the sport's obsession with efficiency

By LINDSEY ADLER

After the 2021 season ended, the Philadelphia Phillies' front-office executives met in a right-field luxury suite at empty Citizens Bank Park to investigate what had gone wrong in a disappointing 82-80 season. There was a lot to discuss.

The team needed to revive an anemic offense that had fallen to the lower-third of MLB. It needed to bolster the bullpen, and find time to play promising prospects. And despite the presence of MVP Bryce Harper—who had been to four Division Series with the Nationals but never advanced to a Championship Series—it had few players who knew what it was like to win.

"We thought we needed somebody with our team who had won a championship before, who could provide that type of leadership to our team," Phillies president of baseball operations Dave Dombrowski said last week.

Those needs led Dombrowski to an oddball opening move on the way to constructing one of the most unusual rosters in baseball. After baseball's labor dispute ended in March, the Phillies signed Kyle Schwarber and Nick Castellanos—essentially two versions of the same player—just two days apart. Both are designated hitter-type sluggers who were also known defensive liabilities. As a bonus, Schwarber had won a World Series in 2016 with the Cubs, and Castellanos at least had a brief post-season appearance with the Reds in 2020.

The signings sent a message: The Phillies were in on slugging, out on defense. It was the start of building a team that won just five more regular season games than in 2021—yet is now locked in a World Series duel with the Houston Astros.

Offense has turned out to be the Phillies' ticket. In the postseason, they bludgeoned the Cardinals, Braves, and Padres on their way to Houston. Philadelphia's lineup flipped the script in Game 1 of the World Series, storming back from a five-run deficit to a win for just the sixth time in World Series history (teams that found themselves behind by five runs or more have lost 220 times, by comparison).

Their cannons can be silenced. On Saturday night, the Phillies ran into the Astros' ground-ball phenomenon, Framber Valdez, in Game 2, who held them to four hits over 6½ innings—leading to a 5-2 loss. Nonetheless, the Phillies take the Series back to Philadelphia tied at 1-1, with Game 3 set for Monday.

The Phillies' approach stands in contrast to their current opponents, and in contrast to industry trends in roster building and an obsession with efficiency. Schwarber and Castellanos embody this distinctive identity. Their playing styles are limited in dimension but tend toward big moments. Their almost



Bryce Harper, left, and Nick Castellanos of the Philadelphia Phillies celebrate after scoring runs in Game 1 of the World Series. Game 3 is set for Monday night.

joint acquisition pointed to a hallmark of the Dombrowski's approach: Get the guys who know how to be good in their own ways.

"You have to have good players," Dombrowski said. "And those are usually star players. Then, it's how do you build around them?"

The Phillies had a reason to act with urgency to pump up their offense. As a team in 2021, they had hit .240/.318/.408 (AVG/OPS/SLG), which ranked 21 out of 30 in MLB by weight runs created plus, an aggregate offensive statistic that uses park factors to scale team performance to MLB-average.

Harper had put up a season that earned him a second National League MVP award, and four other regular players had put up above-average offensive campaigns. Still, the remaining elements of their roster had dragged down the team average to about 7 percent below MLB-average.

The contemporary mind-set of the baseball industry leans toward creating a roster that can provide consistent outcomes rather than high variance that comes from the combination of big offense and poor defense. Yet after surveying the trade and free agent markets,

Dombrowski said the Phillies' concluded: "For us, the players that seem to work the best are definitely the offensive players."

Schwarber went to the top of the lineup as the leadoff man, Castellanos went to the center of the lineup. The designated hitter rule coming to the National League opened an opportunity for Philadelphia to acquire both at what they

The signings sent a message: The Phillies were in on slugging, out on defense.

expected would be less of a defensive liability cost, though they each wound up spending significant time in the outfield when Harper was injured early in the season and had to return as the DH.

Castellanos had a down year, hitting for a .694 OPS, while Schwarber posted the second-highest OPS among Phillies hitters with at least 400 plate appearances, behind Harper. The two ranked in the bot-

tom-six of MLB defensive outfielders in 2022, based on Statcast's Outs Above Average metric.

The Phillies had made another move over the winter to create this result. They imported a new hitting coach, Kevin Long, who is now in the dugout for his fourth World Series with his fourth organization. To deal with the problems they anticipated with their approach, they hired a new infield coach in Bobby Dickerson.

After all that, Dombrowski's plan misfired initially. In June, Philadelphia fired manager Joe Girardi after a 22-29 start to the season and promoted bench coach Rob Thomson to the role.

Dombrowski kept tinkering as the season went on. The Phillies released veteran shortstop Didi Gregorius, giving rookie Bryson Stott playing time instead. At the trade deadline, they acquired 24-year-old center fielder Brandon Marsh from the Angels, along with some additional pitching help. They allowed Alec Bohm, the defensively erratic third baseman, to continue to get playing time.

"We gave those guys opportunities, and I think that's a big part of developing as a young major

leaguer," said general manager Sam Fuld.

The changes the Phillies made both before and during the season helped them to tack on a few additional wins over last season and take an 87-75 record into the final slot of the newly expanded postseason format.

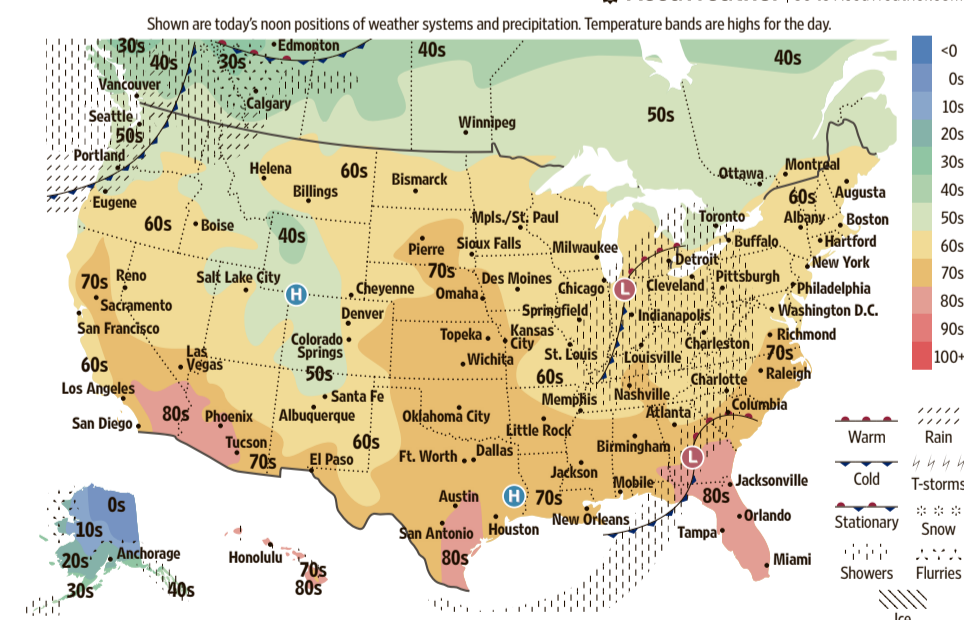
Thomson has made a point of creating a clubhouse environment where the Phillies' young talent—players like Bohm—can blend with their veteran players.

"When these young kids are scuffling, (the veterans) put their arm around them and help them sort out the situation," Thomson said. "Schwarber in particular is excellent at that. They help each other out in different ways."

The Phillies roster is inefficient but impactful, and they're playing World Series baseball like they are just happy to have been invited. Their lineup blends the fragility of inexperience with veteran track record types and one guy who has already hoisted the trophy the Phillies are trying to claim this week. The enduring legacy of the 2022 Phillies is likely to be that at any point in a game, seemingly anything could happen—even a win.

Weather

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U.S. Forecasts

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

Table with 2 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists major cities like Anchorage, Atlanta, Austin, etc.

Table with 2 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists cities like Omaha, Orlando, Philadelphia, etc.

Table with 2 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists international cities like Amsterdam, Athens, Baghdad, etc.

Table with 2 columns: City, Today (Hi, Lo, W), Tomorrow (Hi, Lo, W). Lists cities like Frankfurt, Geneva, Havana, etc.

The WSJ Daily Crossword | Edited by Mike Shenk

Crossword puzzle grid with clues on the right side.

SAVING FACE | By Kevin Christian & Andrea Carla Michaels

- Across: 1 Courage in the face of danger, 6 Yield from a field, 10 Baby carriage, in Britain, 14 Consoling words, 15 Tortoise's rival, 16 Sister and wife of Zeus, 17 Masked explorer, 19 "Call on me! I know the answer!", 20 Second-largest country in S. Amer., 21 2021 film set on the planet, 22 Agreement between landlord and tenant, 23 Political satirist, 25 Masked criminal, 28 Some evergreens, 30 Rakish man, 31 Tylenol competitor, 33 M's top agent, 34 Pampering place, 37 Masked athlete, 41 911 responder, for short, 42 Mile or meter, 43 Worth who won three Tonys, 44 Young salamanders, 45 Bit of sweat, 46 Masked worker, 51 Unpleasant trumpet sound, 54 "All in ___ work", 55 Biz bigwig, 57 Wedding words, 58 Folded bit of Tex-Mex fare, 59 Masked hero, 62 "Believe" singer, 63 It may be fishy, 64 Artist Frida, 65 Garden waterer, 66 Ernie's pal on "Sesame Street", 67 ___ Park (Colorado town), Down: 1 Travel documents, 2 Capital of Ghana, 3 Riotous good time, 4 Sphere, 5 Demonstrate literacy

- 6 Dishes for a fancy dinner, 7 "Nevermore" sayer, 8 Rocks for smelting, 9 For each, 10 Lisa Kudrow's "Friends" role, 11 2007 Amy Winehouse hit, 12 Greeted the morning, 13 HBO's "Real Time With Bill ___", 18 Does some soundtrack work, 22 Part of a clown costume, perhaps, 24 Unlike ghosts and zombies, 26 Ray of McDonald's fame, 27 "Mazes and Monsters" author Jaffe, 29 Gives the cold shoulder, 31 Honest name, 32 On the ___ (fleeting), 33 Diner sandwich, for short, 34 Make clear, with "on", 35 Cattle enclosure sayer, 36 Nickelodeon's "___ You Afraid of the Dark?", 38 Opposed, 39 Enclosure in a letter to Santa, 40 Sidling crustacean, 44 Friend of Piglet and Pooh, 45 Word before Fox or Rabbit in Uncle Remus stories, 46 Software fix, 47 Sun Valley's state, 48 Count for duellists, 49 Pavarotti or Carreras, 50 Apply, as force, 52 "Rolling in the Deep" singer, 53 Spanish bulls, 56 Wedding dessert, 59 High hit at Wimbledon, 60 Keats poem, 61 Grammy winner Lil ___ X

Previous Puzzle's Solution grid with letters and words.

The contest answer is MASKS. If you put "boo" before each of the five starred answers and pronounce it, you get another word (TEAK/BOUTIQUE, MERINGUE/BOOMERANG, TEASE/BOOTEES, CARESSED/BUCHARREST, FONT/BOUFFANT) that fits a clue for a different grid answer. The first letters of those answers, in grid order, spell the contest answer.

OPINION

Race Has No Place in College Admissions

By Edward Blum

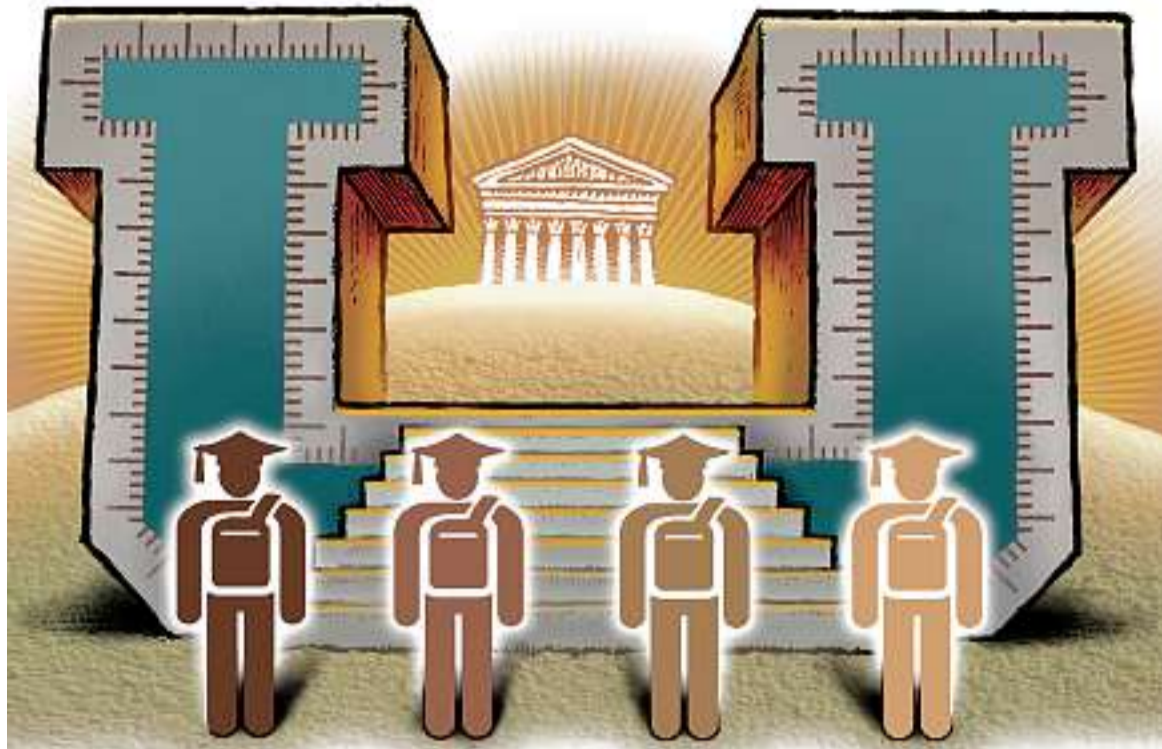
The U.S. Supreme Court will hear arguments on Oct. 31 in *Students for Fair Admissions v. Harvard* and *Students for Fair Admissions v. University of North Carolina*—two vitally important cases that challenge the constitutionality of using a student's race and ethnicity as a factor in college admissions. If the Supreme Court forbids the use of race and ethnicity in college admissions, as it should, the opinion may begin the restoration of our nation's constitutional colorblind legal covenant.

Why should some students have advantages over others simply because of the color of their skin?

Both cases are legally and factually straightforward. In 2014 *Students for Fair Admissions* sued Harvard, the nation's oldest private university, and the University of North Carolina, the nation's oldest public university. The common element in each lawsuit is the claim that both schools racially gerrymander their freshman classes by illegally raising the bar for certain racial and ethnic groups and lowering the bar for others.

Students for Fair Admissions asserts these practices are outside the narrow bounds the law allows for using race or ethnicity in college admissions. Moreover, we have asked the court to overturn *Grutter v. Bollinger* (2003), which permits institutions of higher education to use race and ethnicity as factors in admissions to obtain "the educational benefits that flow from a diverse student body."

In the Harvard case, *Students for Fair Admissions* revealed that the



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college is penalizing Asian-American applicants in favor of whites, blacks and Hispanics by engaging in racial balancing, overemphasizing race and rejecting workable race-neutral alternatives to achieve racial diversity. *Students for Fair Admissions*'s expert presented to the courts a hypothetical case of an Asian-American male with a 25% chance of admission. Changing the applicant's race to white would increase his admissions chances to 36%, leaving all other factors constant. Changing this applicant's race to Hispanic boosts his chances to 77%, while changing it to African-American would boost his chance of admission to 95%.

Although Asian-American applicants to Harvard ranked above all other racial and ethnic groups on such objective measures as grades and test scores, the admissions staff

gives them demerits on such subjective measures of personality as lacking leadership and confidence and being less likable and kind.

Harvard has a long and ugly history of discriminating against high-achieving minorities. As many historians have pointed out, Harvard's leadership once believed it had too many Jews on campus because almost a quarter of all Harvard freshmen were Jewish. Holistic admissions criteria were concocted to limit the number of Jews admitted.

In the lawsuit against the UNC, *Students for Fair Admissions* exposed that the school is violating the Equal Protection Clause of the 14th Amendment and Title VI of the Civil Rights Act. It does so by rejecting all reasonable race-neutral alternatives to racial preferences, even if those alternatives would

have increased the student body's overall racial diversity.

While Harvard and UNC have breached the current strict legal boundaries that permit racial classifications and preferences in college admissions, the opinion in *Grutter* allowing these polarizing racial policies was wrong on the day the Supreme Court decided it in 2003. The *Grutter* opinion is internally contradictory, claiming that racial preferences are necessary because race is a proxy for certain views and experiences. Then it claims that racial preferences allow for the breakdown of stereotypes because race isn't a proxy for any views or experiences. The latter is true: A person's skin color says nothing about who he is, what he thinks or his life's struggles and successes.

It is noteworthy that the Supreme

Court has forbidden race to be used in assigning students to K-12 schools to achieve diversity. It has also forbidden colleges to use race to diversify their faculties.

That the nation's most competitive universities place high-schoolers on racial registers is a moral failure. Since racial and ethnic preferences were introduced in the 1970s, they have been divisive. They stigmatize recipients, punish better-qualified applicants and pit Americans against one another.

Ending the consideration of race and ethnicity in college admissions isn't controversial. In a 2022 Pew Research survey, 74% of all Americans, including 59% of African-Americans, 64% of Asian-Americans and 68% of Hispanics, don't believe race should be a factor in college admissions. Those who advocate the continuation of race in admissions are working against the convictions and preferences of the majority of America's racial minorities.

Students for Fair Admissions has demonstrated that eliminating legacy preferences, preferences for the children of faculty and staff, and preferences for the children of wealthy donors, while giving a greater weight to students from economically disadvantaged backgrounds, will produce a diverse student body without treating students differently by race. It can't reasonably be argued that in the name of diversity, the Asian-American daughter of a working-class immigrant should be penalized in favor of the daughter of a successful white, Hispanic or African-American professional.

The ideal that gave birth to our nation's civil-rights laws is the principle that people's race shouldn't be used to help or harm them in their life's endeavors. The majority of Americans hope that the Supreme Court will use these cases to return the law to this principled ideal.

Mr. Blum is founder and president of Students for Fair Admissions.

Why Randi Weingarten Supports Harvard's Discrimination

LIFE SCIENCE
By Allysia Finley

You almost have to admire the chutzpah of the teachers unions. Even as they fight to keep poor minority kids trapped in failing public schools, they plead that racial preferences in college admissions are necessary to compensate for these students' inferior K-12 education. High-achieving Asian-American and white students must be discriminated against to make up for the educational "privileges" that unions deny minorities.

That's the argument advanced by the National Education Association and the American Federation of Teachers in their friend-of-the-court briefs supporting Harvard and the University of North Carolina in cases the Supreme Court will hear on Monday concerning the legality of racial preferences. "Our schools, from K-12 to higher education, still struggle to provide equitable opportunities for students of color," the NEA laments.

No argument there—but whose fault is that? Perhaps the gravest injustice of our time is the imprisonment of minority kids in substandard public schools. Students'

dismal scores on the Nation's Report Card last week provided another reminder.

In Illinois 36% of white eighth-graders were rated proficient or better in math, which isn't anything to brag about. But figures were only 14% for Hispanics and 8% for blacks. Similar or even wider gaps were found in other cities and states. In Los Angeles, 62% of whites scored proficient or higher in fourth-grade reading, compared with only 18% of blacks and 16% of Hispanics.

Unions blame these disparities on racism. "Racial minorities are disadvantaged in the United States—not only by the persistence of de facto segregation in schools—but by overt racial violence and coordinated efforts to stifle recognition of the nation's shameful history of racial oppression," says the NEA in its brief, citing state laws that limit the instruction of critical race theory and the "1619 Project."

According to the leftist narrative, white parents enroll their kids in private schools—or move to the suburbs—because they don't want to live near or send their kids to school with blacks and Hispanics. This is confused. Middle-class parents aren't trying to escape minorities; they're trying to escape awful public schools.

Most poorer parents also probably don't want to send their kids to low-performing neighborhood public schools. But many don't have a choice. Unions have relentlessly fought vouchers, charter schools and other school-choice programs that would expand educational options and thus threaten their monopoly.

Racial preferences help offset the inequities in K-12 education that teachers unions have created.

As for why urban public schools are so awful, unions again blame racism and say they don't get as much funding as wealthier schools. But states typically equalize per pupil funding across school districts, and many give more money to poorer ones. The District of Columbia spends \$7,000 more per pupil than nearby Loudoun County, Va.

The real culprits are union collective-bargaining agreements and state laws that put teachers unions' interests ahead of students'. Unions are strongest in big cities and blue states, where they have an unholy

alliance with Democratic politicians. They're able to write rules to protect bad teachers from being removed and good ones from being rewarded. They don't believe in meritocracy for students or teachers.

Schools typically grant tenure to teachers after two or three years, which makes it virtually impossible to fire bad or lazy ones. Less than 1 in 50,000 California teachers are dismissed for unprofessional conduct or poor performance. A teacher normally would have to commit an egregious crime such as molesting a student to get fired—and even then, teachers' contractual job protections and the school's administrative process make dismissal difficult.

Former Los Angeles Unified School District Superintendent John Deasy testified in a lawsuit last decade challenging these job protections that it took as long as 10 years and \$250,000 to \$450,000 to fire an ineffective teacher. School districts usually don't want to bother, so they rotate poor performers around low-income schools where parents are less likely to complain. Administrators call this the "dance of the lemons."

Union contracts and state laws also typically require budgetary layoffs to be based on seniority. Less experienced teachers are more likely

to be assigned to schools in lower-income neighborhoods since they have more open positions owing to higher staff attrition, but then they are also most likely to get laid off. The result is that lower-income schools are filled with less experienced teachers.

At the same time, administrators at more affluent schools are more likely to fill open positions with higher-quality teachers. Yet lower-income schools can't recruit higher-performing teachers by offering them higher pay since labor contracts base salaries on years of experience. Teachers unions have devised an education system that ensures poor minority kids don't succeed.

It thus requires enormous gall for AFT boss Randi Weingarten to lecture the court that "ensuring equal access to educational opportunities is a compelling state interest" and "society benefits when educational opportunities are widely accessible." Why does she fight so hard to keep minority kids down?

Teachers unions back racial preferences in college admissions to offset the inequities in K-12 education they have created and ease the political pressure for reform. It's an outrage in which Harvard and other colleges are complicit.

The Public Has a Right to Know Who Leaked the Dobbs Draft

By Alan M. Dershowitz

Justice Samuel Alito stated last week that the leak of his draft opinion in *Dobbs v. Jackson Women's Health Organization* endangered the justices' lives: "It gave people a rational reason to think they could prevent that from happening by killing one of us." A man who was found heavily armed outside the home of Justice Brett Kavanaugh two weeks before the court decided *Dobbs* has been charged with attempted murder.

The leak constituted "a grave betrayal of trust," Justice Alito added.

So why hasn't the perpetrator been identified and punished?

One reason is that Chief Justice John Roberts assigned the Supreme Court Marshal's Office to conduct the investigation. The marshal's office oversees the Supreme Court police, which provides security for the building and the justices. But it is totally unequipped to conduct an investigation of this magnitude. It has no authority to issue subpoenas or to immunize witnesses to testify. The tools at its disposal are limited to questioning possible witnesses and asking to review telephone and computer records. There

is no guarantee that an intensive investigation would find the leaker or leakers, but it is nearly certain that they won't be found without one. They have a strong incentive not to come forward: No one could trust a lawyer who engineered or collaborated in such a breach.

Why did the chief justice assign the marshal's office to conduct this investigation? That raises another question: Is the court fully committed to uncovering the truth?

The most likely suspects are court employees. Guilt may well be a matter of degree. If one law clerk knows that another clerk did it and assisted in the coverup, the former would be complicit in the breach. The same would be true of a justice who knew but didn't come forward.

Rumors are swirling around the court as to who might be responsible. Some speculate that it was a clerk who wanted to put pressure on a justice to preserve *Roe v. Wade*. Others theorize that an anti-*Roe* law clerk who might have wanted to lock in a justice feared to be having second thoughts about joining the majority. Then there is always the possibility that a member of the support staff—say, someone in the printing office—might have been the leaker. The least likely suspects would be the justices themselves, though it isn't beyond the realm of possibilities that a justice might have implicitly

encouraged a clerk to do the deed.

Justice Alito and others concerned about the dangers of the breach should be calling for an outside investigator with the power to issue subpoenas, grant immunity and employ other traditional law-enforcement tactics that are both constitutional and ethical. Congress has

Alito says the breach put justices' lives in danger. That's all the more reason for a serious investigation.

the power to legislate such a special investigator. The Justice Department may also have the power to appoint a special investigator, despite the uncertainty over whether the leaking of an unpublished Supreme Court opinion constitutes a crime or merely a breach of rules and ethics. The integrity of the court and the confidentiality of its proceedings are essential aspects of governance. The government has a strong and legitimate interest in determining who violated the rules, who covered up the violation, and who knew about it either before or after the fact.

Politico, the news outlet to which the draft opinion was leaked, may know the identity of the leaker. It claims to have checked the draft

opinion's authenticity before publishing it. (The court later confirmed it.) If investigators question Politico, it will claim journalistic privilege and refuse to identify its source. If the government presses the matter, the courts will decide, weighing the public interest in Politico's claim of confidentiality against that of the Supreme Court's.

One might argue—and some justices may believe—that it isn't in the institutional interests of the court to expose the malefactor. The situation appears stable despite Justice Alito's worries, and it's possible that revealing what happened could provoke a greater crisis. But if the leaker goes unexposed and unpunished, what deterrent will there be against future leaks?

Learning and disclosing the source of the leak would strengthen the high court by preventing future breaches and by allaying false suspicions against innocent justices, clerks and other employees. Uncovering the truth is of paramount importance in a democracy. As with the Jan. 6 riots, the American public has a right to know who carried out an attack on a vital institution of government and how.

Mr. Dershowitz is a professor emeritus at Harvard Law School and author of "The Price of Principle: Why Integrity Is Worth the Consequences."

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Accelerating Growth in a Time of Great Change

An interview with Mikio Okumura, Chief Operating Officer of Sompo Holdings, Inc., a leading Japanese insurance conglomerate with a market capitalization of two trillion yen. Buoyed by rapid growth in its overseas insurance business, the company has achieved the highest profits in its history for two consecutive fiscal years. In the interview, Mr. Okumura describes the group synergies and willingness to take on new challenges that have driven the company's remarkable growth.

Q: As COO of a corporate group that employs more than 73,000 people in 29 countries engaged in businesses ranging from insurance to nursing care, how would you describe the group's current position in the industry?

First of all, speaking of actual results, ordinary income for FY2021 was 4,167.4 billion yen, an increase of 321.1 billion yen from the previous year. Adjusted consolidated profit rose to 261.3 billion yen, reaching a record high, and adjusted consolidated ROE increased from 8.0% to 9.4%. Based on this strong performance, we have been able to deliver record-high shareholder returns.

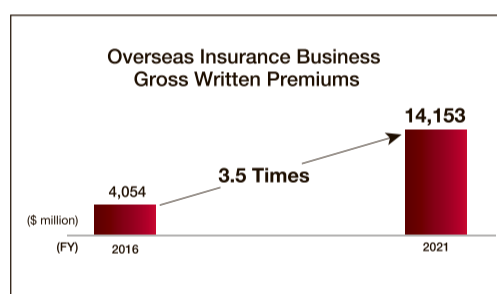
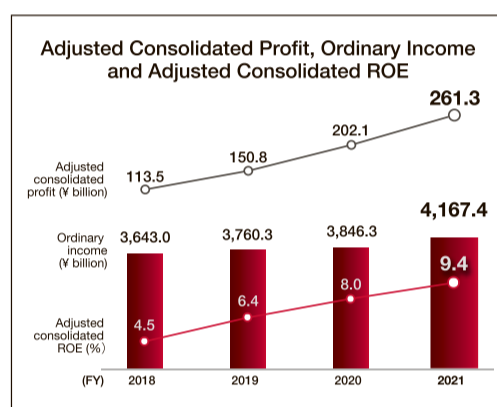
Growth in our overseas insurance and reinsurance business has been particularly remarkable. The business's share of sales grew from 14.9% to 23.7% between FY2020 and FY2021. Overseas gross written premiums have increased by 3.5 times, and approximately 40% of gross premiums in property and casualty insurance now come from overseas. At Sompo International, gross written premiums have increased by 2.6 times since we acquired Endurance Specialty Holdings Ltd. in 2017.

“Growth in our overseas insurance and reinsurance business has been particularly remarkable”

To help us accelerate growth even more we recently created a Steering Committee for group-wide projects under our Global Executive Committee, which is the highest-level executive committee in the SOMPO Group. Through active and substantive discussions, we develop strategies for group-wide business optimization aimed at boosting our conglomerate premium. Comprised of senior executives and the heads of each of the company's five major business areas, the Steering Committee meets to enhance inter-company synergies, diversify risks, and develop new business opportunities, with a particular focus on strategies for asset management, insurance portfolios, and global business expansion. The company's medium-term management plan for FY2021-2023 also allocates 600 billion yen for growth investments to drive further business growth in the years ahead.

Q: In a recent article in the Japanese financial press, a market analyst described SOMPO as being unique among the top three non-life insurers in Japan. Do you think that is true?

The analyst was probably referring to our uniquely diversified business portfolio. In the past, almost



all of our sales were in domestic property and casualty insurance. But over the past 10 years, we have significantly scaled up and diversified our portfolio to increase our resilience to changes in the business environment. Our current operations span five categories: Domestic Property and Casualty Insurance Business, Overseas Insurance and Reinsurance Business, Domestic Life Insurance Business, Nursing Care and Seniors Business, and Digital Business.

Q: Why did you decide to invest in nursing care and healthcare?

The nursing care business, which we entered in 2015, has particularly strong growth potential in Japan. Like many other leading countries, Japan faces the dual challenges of a declining birthrate and an aging demographic, and the nursing care market here has increased dramatically in size. As a business, it also meshes perfectly with our corporate purpose, which is to create a society in which people can enjoy healthy, prosperous, secure, and happy lives.

In addition to making large-scale investments in nursing care, we are also pursuing digital initiatives that will enable us to play a key role in Japan's long-term care industry by utilizing operational business data and users' vital data to improve efficiency and service quality. To this end, we have formed partnerships with companies that excel in data analysis and AI technology, such as Palantir Technologies in the US. We plan to set up a platform that can become the de facto standard for utilizing real data related to long-term care, and provide a range of subscription-based services for the nursing care sector by the end of this fiscal year. In the future, we want to help alleviate the labor shortages caused by a widening supply-demand gap in caregivers, and to contribute to the development of solutions to a range of other social issues that Japan faces.

There are many insurance companies in the world that are larger than us, but I don't think there are many actively working to transform their business portfolio the way we are.

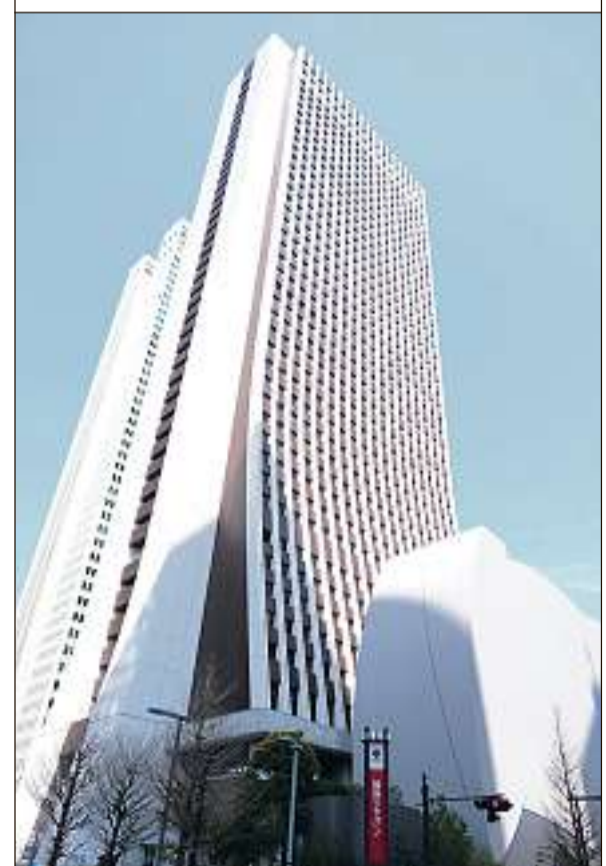
Q: Your own background is also rather unusual, isn't it?

I joined SOMPO immediately after graduating from university because I wanted to work in a role that would let me serve as a bridge between Japan and other countries. But after the 9/11 terrorist attacks, SOMPO shifted its strategy for a time to focus more on domestic business, and I joined an investment company to broaden my experience. I learned a great deal about capital markets while working there, and brought that knowledge with me when I rejoined SOMPO.

After my return, I headed the nursing care and healthcare business, and then brought our overseas insurance and reinsurance operations to profitability. Now I'm working on executing transformational strategies and a range of digital initiatives to drive future growth while leading group-wide projects to create conglomerate premium.

The current business environment is fraught with uncertainties such as climate change, demographic change, geopolitical risks, and economic risks. In Japan, the economy has been relatively stagnant for two decades, the population is declining, and with fewer homes and automobiles being sold, the market for property and casualty insurance products has been buffeted by headwinds. But I'm very confident. In fact, for the past 10 years, SOMPO has continued to grow in spite of these headwinds.

As Kengo Sakurada, the Chairman and CEO of Sompo Holdings, often says, "To grow, we aim to become the most unique insurance group in the world by expanding into new business areas based on insurance as our source of competitiveness." And no matter how the times may change, I believe we have the resources and management flexibility to achieve that goal.



Sompo Holdings, Inc. Headquarters in Tokyo

 **SOMPO HOLDINGS**
<https://www.sompo-hd.com/en/>



BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Monday, October 31, 2022 | B1

Last Week: S&P 3901.06 ▲ 3.95% S&P FIN ▲ 6.19% S&P IT ▲ 4.28% DJTRANS ▲ 6.95% WSJ IDX ▼ 0.79% 2-YR. TREAS. yield 4.422% NIKKEI 27105.20 ▲ 0.80% See more at WSJ.com/Markets

Twitter Prepares Broad Layoffs

Staff cuts are expected to reduce engineering positions and affect other areas

By ALEXA CORSE AND SALVADOR RODRIGUEZ

Twitter Inc. drafted plans for broad layoffs as part of a whirlwind several days in which new boss Elon Musk fired top executives “for cause,” sought to reassure users and advertisers about content moderation and continued to embrace jokes and controversies on the site.

The proposed layoffs under consideration by Mr. Musk, who took the social-media plat-

form private on Thursday for \$44 billion, are expected to reduce engineering positions as well as affect other areas at the company, according to a person familiar with the plans. Twitter has roughly 7,500 employees, according to a disclosure earlier this year. The full scale of cuts being discussed couldn't be determined.

Mr. Musk fired Twitter Chief Executive Parag Agrawal and three other top executives and is saying he isn't required to pay them multimillion-dollar severance packages that had been expected, according to people familiar with the matter. Departed executives are weighing their options, one of the people said. Mr. Agrawal didn't respond to a request for com-

ment. Twitter's top two executives were set to collect more than \$100 million in severance packages, according to previously disclosed figures in securities filings, according to an

The company has posted a loss for eight of its past 10 fiscal years,

estimate from Equilar, a compensation data and analysis company.

After the takeover, Mr. Musk has been working with a team of associates that includes for-

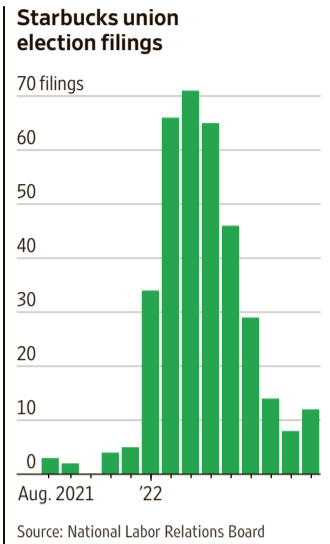
mer Twitter product leader and venture capitalist Sriram Krishnan and attorney Alex Spiro. Mr. Krishnan tweeted Sunday that he was helping Mr. Musk with Twitter “temporarily with some other great people.”

Twitter has posted a loss in eight of its past 10 fiscal years, according to FactSet, and Mr. Musk's takeover comes as the social-media industry faces the most tempestuous business environment in its history.

Facebook Parent Meta Platforms Inc. spooked investors with a revenue slowdown and a commitment to spending tens of billions more toward the building of the metaverse, which has yet to attract a significant user base. Meta's market value dropped below \$300

billion for the first time since early 2016. YouTube posted its first decline in advertising revenue, while Snapchat parent Snap Inc. warned investors that it is operating on an assumption of no revenue growth this quarter from a year earlier.

One of the first issues Mr. Musk is aiming to tackle is costs, according to people familiar with the matter. He told employees in June that he believed costs were “not a great situation” at Twitter, according to people who viewed a virtual meeting then. He didn't rule out layoffs at the time, adding that anyone who is a significant contributor shouldn't worry, the people said. The New York Times earlier reported about *Please turn to page B4*



Starbucks Workers' Efforts to Unionize Lose Vigor

By HEATHER HADDON

A drive to unionize new Starbucks Corp. cafes is slowing as the coffee chain does out more pay and expanded benefits to nonunionized cafes.

Twelve Starbucks stores petitioned for representation by the Starbucks Workers United union in September, down from a peak of 71 in March, National Labor Relations Board records show. The eight petitions filed in August marked the smallest number since December, when the first Starbucks cafe voting to unionize led to a wave of other locations seeking elections.

Baristas' drive to unionize Starbucks' cafes has shaken the world's biggest coffee chain, which has long touted benefits it says go beyond industry standards.

Pro-union workers have said Starbucks gives priority to profitability over its workers, and that organizing is the best way to ensure better compensation and treatment. Since the campaign's initial unionization votes at Buffalo, N.Y.-area cafes in December, the NLRB has certified unions in 243 of Starbucks's 9,000 U.S. stores and marked defeats for organized labor at 50 locations.

Over the past six months, Starbucks has said it would invest hundreds of millions of dollars in employee wages and improving operations, aiming to address complaints about equipment problems, staffing levels and security concerns that have motivated unionizing employees. The company also is closing some U.S. stores where it said baristas have *Please turn to page B2*

Higher Rates Hit Big Stocks In Technology

By GUNJAN BANERJI AND HANNAH MIAO

Shares of the largest U.S. technology firms have fallen out of favor in the most pronounced way since the 2000 tech bubble, victims of a shift in investors' tastes inspired by rising interest rates.

The 2022 market bust has turned the popular “FAANG trade”—the practice of buying fast-growing technology titans such as Facebook owner Meta Platforms Inc., Apple Inc., Amazon.com Inc., Netflix Inc. and Google parent Alphabet Inc.—into a pumpkin. Of those five companies, only Apple, down 12% this year, has outpaced the Nasdaq Composite Index's 29% decline.

For years, portfolio managers were willing to overlook the occasional blemish in the tech giants' quarterly results, reasoning that there were few alternatives at a time of generally slow economic expansion. That sort of patience has evaporated this year, as investors in Meta in particular can attest following the past week's earnings-driven rout. “There was rampant speculation in the sector,” said Rupal Bhansali, chief investment officer and portfolio manager of global equity strategies at Ariel Investments. With rising rates, “people come back to their senses and realize we need to be more circumspect.”

The Nasdaq index's value has dropped this year by some

\$8 trillion. That compares with around \$5 trillion over three years in the 2000-2002 rout, a sum that would be worth about \$8.6 trillion today. Technology shares have led the 2022 market decline, unlike the 2007-2009 downturn when the worst selling was in financials and housing-related shares.

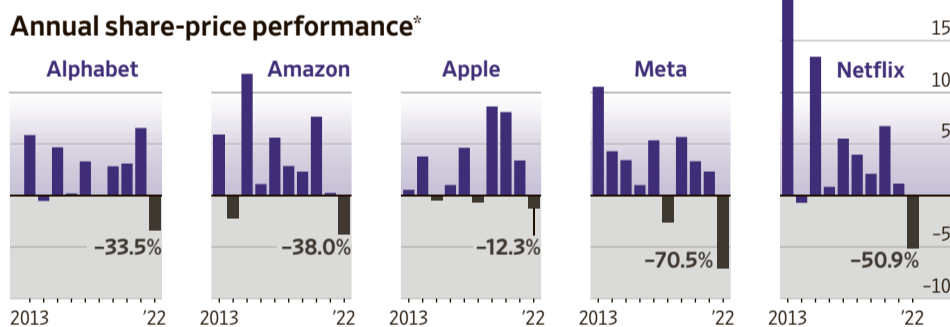
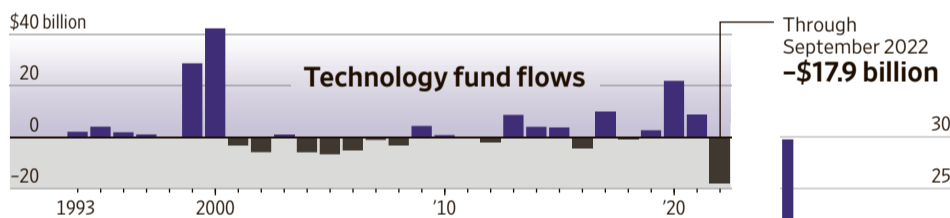
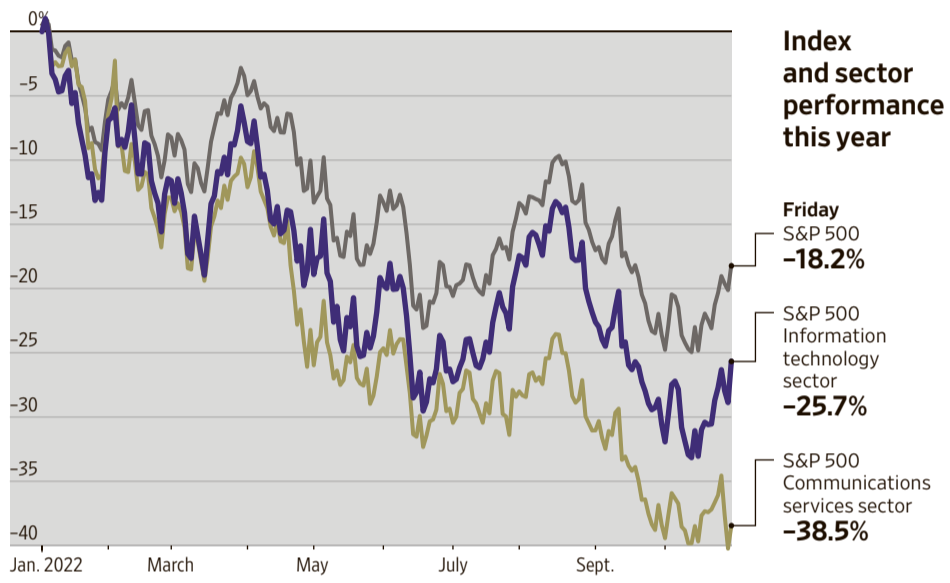
In the years after the financial crisis, tech stocks seemed to go only up, notching nearly a decade of mammoth returns that drew in even more buyers. During the pandemic bust and boom in 2020 and 2021, the companies appeared immune to economic distress while fully enjoying the benefits of reopening.

That all changed this year, with the Federal Reserve's determination to break inflation. Rising rates have left tech executives and investors navigating a starkly different market environment, one that favors investments that generate cash for the holder now.

Companies including Apple, Amazon, Meta, Microsoft Corp. and Tesla Inc. have figured most in the S&P 500's roughly 19% fall through Thursday, according to S&P Dow Jones Indices, while shares of energy firms have risen. Meta is trading at levels not seen since 2016.

Wall Street expects more damage. Analysts' estimates for fourth-quarter earnings from firms in the S&P 500's communication-services sector—home to the parents of

The rout in tech stocks has outpaced the market's decline overall.



*Figures for 2022 through Friday

Meta was one of the 10 biggest companies in the S&P 500. Today, it isn't even in the top 20, with companies such as Chevron Corp. and Bank of America Corp. overtaking it.

“What do you pay for a growth stock that's not grow-

ing the same way any more?” said Ron Saba, a senior portfolio manager at Horizon Investments.

Mr. Saba said his firm is focusing on value stocks, those deemed by investors to be *Please turn to page B4*

Frackers Jockey With Potash Miners in Busiest Oil Field

By COLLIN EATON

Frackers in America's busiest oil field are butting heads with miners working to boost production of a vital crop nutrient in short supply following Russia's invasion of Ukraine.

Relentless drilling in the Delaware basin has pushed New Mexico's oil production up faster than in any other state over the past 10 years. But the Delaware, part of the Permian oil field that straddles West Texas and southeastern New Mexico, also contains vast deposits of potash, a fertilizer ingredient for corn, cotton, sugar, wheat and many other commodities.

The two industries are competing for the land that houses both resources. They have slowed each other's efforts recently and diverged on critical matters such as how to keep the mining industry's underground workforce safe.

The Delaware basin is a rare location where oil companies conduct high-pressure fracking near miners working underground to extract potash and



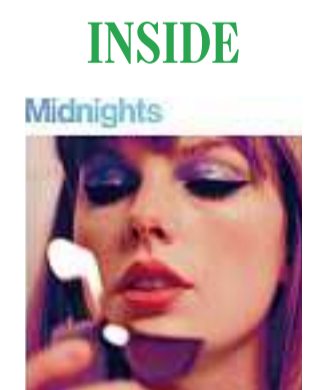
Miners want oil and gas wells farther from their operations.

other minerals. Frackers have had the upper hand for years, pushing deeper into the nearly 500,000 acres of New Mexico's U.S.-designated potash territory, following a 2012 order by the Interior Department that effectively enabled far more oil and gas drilling there.

Miners say they want oil and gas wells farther away from their operations for safety reasons. Oil executives say that is unnecessary, and

that a larger buffer zone would leave them fewer places to drill and would eat into production.

New Mexico's largest miner, Intrepid Potash Inc., said it is practically hemmed in by shale drillers circling its operations. It said it has tried to fend off oil companies' attempts to drill wells it deems dangerously close to its mines by protesting proposed drilling sites. It said it gets several permit propos- *Please turn to page B2*



MUSIC
Taylor Swift's newest album marked her biggest debut, selling 1.58 million copies. **B2**



BUSINESS NEWS
FBI, SEC investigate TuSimple's financial ties to Chinese startup Hydron. **B3**

Shrinking Liquidity Rattles Wall Street

By MATT GROSSMAN AND SAM GOLDFARB

Rising friction in the trading of U.S. government debt has investors worried about the health of a \$24 trillion market that is critical to the functioning of the broader financial system.

The ranks of traders ready to buy and sell Treasuries are shrinking. Individual trades are moving prices more. Treasury securities with similar characteristics are trading at larger-than-normal price differences. Major players, including the big banks and asset managers that have long been significant buyers, are in retreat.

Investors expect to be able to buy and sell Treasuries quickly at the listed price, no matter what else is happening. Difficulty doing so reflects a lack of what traders call liquidity, and it can scramble the most basic signals that help the economy run: How much home buyers should expect to pay for a loan, what kinds of investments businesses should make and what kinds of stocks likely will perform the best in

a given period.

Climbing Treasury yields have recently sent mortgage rates above 7% for the first time in two decades, slowed stock valuations and slowed corporate borrowing. While there hasn't been a serious breakdown in Treasury trading so far, the possibility is far from unthinkable given the tumult this year. Many traders and portfolio managers warn that such a development would tear through other markets, potentially requiring intervention from the Federal Reserve to prevent a full-blown financial crisis.

Andrew Kreicher, a director at Wells Fargo & Co., said liquidity in Treasuries has been about the worst he has seen over a sustained period recently. “There are so many systems in other asset classes that use Treasuries as a building block,” he said. “If you have rot in the foundation, the whole house is at risk.”

Investors rely on easy Treasury sales to obtain quick cash for debt payments, margin *Please turn to page B2*

INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

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INDEX TO PEOPLE

Table with columns A, B, C, D, E, F, G, H, J, K, L, M, N, O, R, S, T, W, X and various names and page references.

Miners, Drillers Battle

Continued from page B1

als each week from companies looking to drill nearby. The flurry of activity has made it difficult to boost mining output, and fracking could carry significant safety risk to mines if conducted with inadequate equipment or planning, said Intrepid Chief Executive Bob Jorneyvaz.

He cited oil-industry research showing couplings on steel casing of a well fail or become deformed more frequently than many believe and could cause gas or fluids to leak into mines operated by underground workers.

A 2012 order by the Interior Department set buffer zones from potash mines of a quarter-mile for oil wells and a half-mile for gas wells. But in the 10 years since then, the Bureau of Land Management hasn't delivered independent, scientific studies on safe operations required by the order, according to Mr. Jorneyvaz. BLM didn't respond to requests for comment.

Mr. Jorneyvaz said the oil industry should join him in urging regulators to finish the mandated studies but said oil companies prefer to rely on their own engineers rather than third-party studies to assess operational safety matters.

Oil executives say the industry is operating safely, and the current buffer zones are adequate.

Intrepid's mines in New Mexico have about 4.3 million tons of potash product reserves, according to a 2021 report prepared for Intrepid by Agapito Associates Inc. But the industry has shrunk for years as companies closed down mines because of low prices and poor economics.

New Mexico's potash operations account for roughly 1% of the world's overall supply. Meanwhile, New Mexico's oil production is about 1.6% of supply.

The clash comes as global potash supplies have fallen

sharply following Western sanctions on two producers, Belarus and Russia, and analysts say additional investments are needed. The global shortfall has kept prices high for everything from coffee, corn and cotton to soybeans and sugar.

"Right now, every [potash] ton in the world is important because of the missing Belarus tons," said Joel Jackson, an analyst at BMO Capital Markets.

The modern U.S. potash industry was created during World War I after a German embargo caused prices to soar. In 1934, the Interior Department designated about 425 square miles in New Mexico containing potash as a strategic reserve, restricting oil and gas development there.

To effectively drill under the potash area, companies operate from drilling islands, packing wells tightly together from a single site and spreading underground, horizontally drilling out in different directions.

The oil company with the biggest presence in the potash area is Exxon Mobil Corp., which in 2017 spent nearly \$6 billion on land in southeastern New Mexico. About 35% of the wells that Exxon is drilling in the Permian are located in the potash area, it said.

Jason Gahr, unconventional-wells operations manager at Exxon, said the company has studied how to ensure the safety of potash mines and oil-and-gas operations nearby and developed methods to do so.

"We learned a lot of things along the way," Mr. Gahr said. "What we try to do is take those learnings and try to mix those with operational plans that are safe and continue to get better."

Exxon said that based on its research it isn't clear that expanding the buffer zones would make operations safer and that doing so would be an arbitrary exercise.

Intrepid has doubled spending compared with last year to boost potash output and plans to increase investments again next year. The company would be able to reach more resources within a few months if oil companies agreed to plug some older wells, but Mr. Jorneyvaz said they haven't done so.



A drilling rig designed for drilling safely near potash mining areas.

BUSINESS & FINANCE

Swift Sets New Mark for Vinyl Sales

By ANNE STEELE

Taylor Swift's new album marked her biggest debut, a feat in the streaming era as fans listened online and purchased a record amount of vinyl.

"Midnights" sold 1.58 million copies across formats, according to Luminate Data, formerly Nielsen Music, delivering it to the top of the Billboard 200 albums chart with the biggest sales week of the year—and the biggest sales week since Adele's "25" seven years ago.

Selling albums in the first week of a release used to be the key metric of success for an artist when coming out with new work. First-week sales figures have deteriorated in recent years as customers overwhelmingly shifted away from purchasing CDs and albums on iTunes to streaming them on services like Spotify and Apple Music.

Ms. Swift is the only artist to sell at least a million copies in a single week for five different albums. With "Midnights" she notched the third-largest streaming week ever for an album. It's the biggest sales week for a vinyl album in the modern era, since Luminate began tracking music sales in 1991, moving 575,000 vinyl LPs.

Aside from being a musical hit, the blockbuster week for "Midnights" is the result of a carefully orchestrated release by Ms. Swift who rallied her fans through streaming services, social media and souvenir physical album copies. Ms. Swift is the mastermind of her marketing strategy and has been involved in her business dealings more than most artists, label and industry executives say.

"Taylor is one of the only artists capable of delivering the music and creative needed to execute at this level," said Jim



Taylor Swift's 'Midnights' was also released on streaming.

Roppo, co-president of Republic Records, Ms. Swift's label.

Ms. Swift, who famously held back previous albums from streaming services, has now fully embraced the medium while also continuing to hawk myriad physical copies. With "Midnights," Ms. Swift became the first artist to hit the million mark with an album that was made available on streaming at release. Adele holds the first-

week record for selling 3.38 million copies of "25," which she accomplished by holding it back from streaming.

In contrast to Ms. Swift's pair of surprise releases during the pandemic, "Midnights" serves as a sort of case study in promoting a modern pop album—using every tool, traditional and new, in the kit.

"She really in this case used new tactics to achieve older benchmarks of success," said Nathan Hubbard, chief executive of artist partnership company Firebird Music Holdings, calling her the best CEO in music today.

The album is available to purchase on her website as a digital album, a CD with four editions in different colors, as a vinyl LP with four editions in different colors—a \$49 mechanism helps buyers of all four versions construct them into a clock.

Treasury Liquidity Shrinks

Continued from page B1 calls and a variety of other pressing short-term needs. When that process hits hiccups, financial trouble can spiral, said Jim Caron, a fixed-income portfolio manager at Morgan Stanley Investment Management.

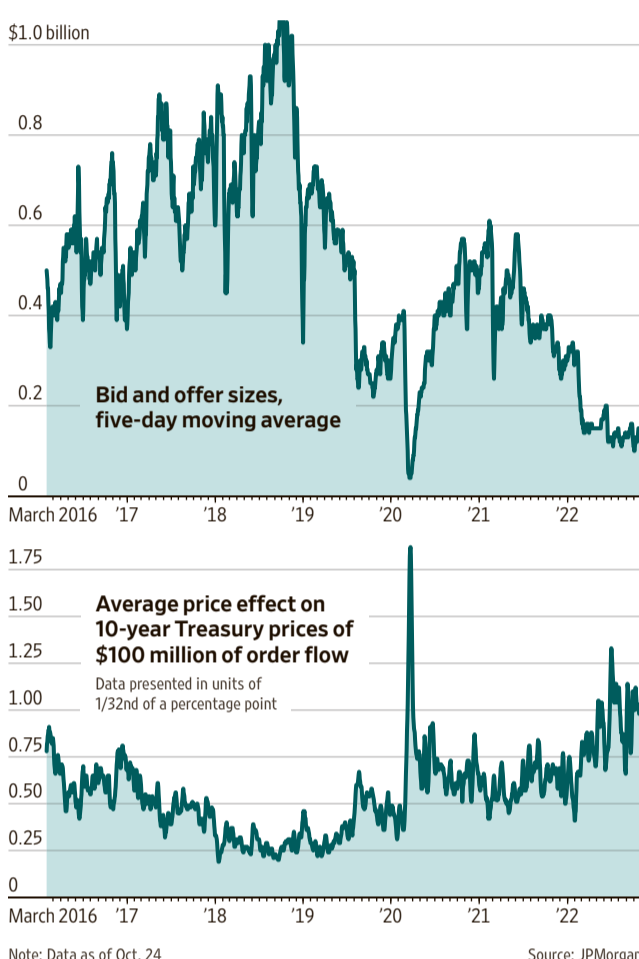
"If the Treasury market isn't working, nothing is working," he said.

While many agree trading Treasuries remains smoother than during the worst moments of 2020's pandemic-fueled market breakdown, the current unease has built gradually over months without a single precipitating event, said Deirdre Dunn, co-head of global rates at Citigroup Inc.

Some traders believe the Fed's rapid interest-rate increases are the main cause. Treasuries—especially shorter-term notes—closely reflect expectations for the Fed's overnight rates, so quick changes can cause choppy moves. This week, the Fed is expected to raise rates by 0.75 percentage point for the fourth straight meeting.

Other traders lay some blame on rules enacted after the global financial crisis that make it more expensive for banks to keep Treasuries on their balance sheet.

Big banks function as Treasury-market dealers, helping match buyers and sellers. When they step back, trading stalls, said Ariel da Silva, director of fixed income at Wealth Enhancement Group, a wealth-management firm. Given the current regulatory regime, "It doesn't behoove them to take on the inventory," he said.



Note: Data as of Oct. 24. Source: JPMorgan

Measuring the ease of trading isn't straightforward. Some approaches gauge the differences between the prices buyers and sellers are demanding. Others look at how much deal flow the market can absorb at the current price, or, similarly, how much a single large trade swings prices for everyone else.

"We're seeing plenty of concerns about liquidity, but it's coming at the same time that we're seeing real concerns about volatility, and it's very difficult to untangle those things," said Steven Abrahams, a senior managing director at Amherst Pierpont Securities. During the Fed's smaller, more predictable rate increases between 2004 and 2006, trading stayed more fluid, he said.

One problem is a growing difference between yields on the newest Treasuries in the market and older vintages that are still traded among investors. Theoretically, a five-year note sold this year should trade at the same yield as a five-year-old 10-year note, because both come due in 2027. But fresh Treasuries are trading at a growing premium to older notes, a sign the older securities have become harder to find buyers for.

To address that issue, Treasury Department officials have considered buying back outstanding bonds, funding the purchases with auctions of more fresh debt. Earlier in October, the Treasury surveyed dealers for feedback on the plan, a version of which the

government enacted to sustain the market during the budget surpluses of the early 2000s. Treasury Secretary Janet Yellen said the department is still studying it.

For now, doing business in Treasury markets takes more finesse than a year ago, traders say. Some report working harder than usual to shield their intentions from the broader market, lest their bids or offers send jumpy prices moving against them.

Trading conditions aren't nearly as difficult as they were in March 2020, when dealers demanded extraordinarily large discounts to buy Treasuries from investors, said Michael Lorizio, a senior fixed-income trader at Manulife Investment Management. But he has sometimes found it necessary to make larger trades "in a more quiet way" than in the past, communicating his intentions to dealers carefully rather than "just blast it out there without any sort of qualifications."

Still, the Treasury market continues to process massive trading volumes without disruption. Last month, an average \$570.5 billion of Treasuries changed hands daily, similar to levels in recent Septembers, according to data from Sifma, a financial-industry trade group. Daily U.S. stock trading last month, by comparison, was \$510.5 billion.

Trading Treasuries remains far more frictionless than trading corporate bonds or other debt securities.

"Internally, when I complain about liquidity, our corporates guys are quick to tell me to stop whining," said Mr. Lorizio. —Andrew Duehren contributed to this article

Starbucks Union Bid Flags

Continued from page B1 complained about unsafe working conditions. The closures include some stores that have voted to unionize.

Some Starbucks baristas said the company's extension of new benefits to nonunion stores has deterred other employees from unionizing, as has the company's dismissals of some pro-union workers this year. Other baristas said they are exhausted by the fighting over unionization.

Richard Minter, national organizing director of Workers United, said the firings this year of some pro-union Starbucks workers involved in labor organizing has had a chilling effect. "It gets to a point where it feels like you are trudging through mud to get to a finish line, and it takes a special person to do that," Mr. Minter said.

Starbucks representatives said that no barista has been fired for lawful union or labor activity. The company said that a vocal minority of baristas accounted for the bulk of the unionization drive so far, and that fewer stores remain where workers are interested in organized labor representa-

tion. Staffing and turnover levels are beginning to return to prepandemic levels, easing baristas' workload, the company said.

"The pandemic created a real hurdle for us to connect with our people. What you are seeing from us, independent of unions, is our commitment to our people and reconnecting with them," a Starbucks spokesman said.

Starbucks this month started bargaining processes with 41 unionized cafe locations, the first time the company has taken steps toward negotiating wages and other terms with a large number of the newly formed unionized stores. It has proposed dates for an additional 43 stores, a spokeswoman said.

Julie Langevin, a Starbucks shift manager from the Boston area who helps lead union bargaining for New England, said she remains enthusiastic about the union campaign and cares about the company, but is frustrated because she said she doesn't feel like Starbucks has given the workers a fair hearing. "We are bouncing off the wall trying to figure out what's the next move, fully knowing the ball is in their court," Ms. Langevin said about bargaining last week.

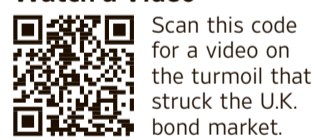
Union petitions at Starbucks cafes began dropping in April, federal records show. Howard Schultz returned to Starbucks as interim chief executive that month and soon after promised new benefits for U.S.

workers. Starbucks in the spring said the additional benefits included another round of employee pay increases, personal savings accounts with company contributions, faster sick-time accrual and a more-relaxed dress code—all of

which would immediately begin flowing to nonunionized cafes, Starbucks said.

Unionized stores would need to negotiate any new benefits through the bargaining process, as is spelled out in federal law, Starbucks said.

Watch a Video



Scan this code for a video on the turmoil that struck the U.K. bond market.

Advertisement for WSJ Membership featuring three smartphone icons and the text 'Explore Your Membership' and 'GET STARTED WSJ.com/benefits'.

THE WALL STREET JOURNAL. TRUST YOUR DECISIONS

BUSINESS NEWS

Self-Driving Firm Probed

FBI, SEC investigate TuSimple's financial ties to Chinese startup Hydron

TuSimple Holdings Inc., a U.S.-based self-driving trucking company, faces federal investigations into whether it improperly financed and transferred technology to a Chinese startup, according to people with knowledge of the matter.

By Heather Somerville, Kate O'Keeffe and Yang Jie

The people said the concurrent probes by the Federal Bureau of Investigation, Securities and Exchange Commission and Committee on Foreign Investment in the U.S., known as Cfius, are examining TuSimple's relationship with **Hydron Inc.**, a startup that says it is developing autonomous hydrogen-powered trucks and is led by one of TuSimple's co-founders.

Investigators at the FBI and SEC are looking at whether TuSimple and its executives, principally Chief Executive Xiaodi Hou, breached fiduciary duties and securities laws by failing to properly disclose the relationship, the people familiar with the matter said. They are also probing whether TuSimple shared with Hydron intellectual property developed in the U.S. and whether that action defrauded TuSimple investors by sending valuable technology to an overseas adversary, the people said.

Hydron was started in 2021 by Mo Chen, TuSimple's co-founder. He incorporated Hydron in China, Hong Kong and Delaware, according to public filings, with a plan to build hydrogen-powered trucks in North America modeled on a design by a subsidiary of a Chinese state-controlled auto manufacturer. People familiar with the matter said Hydron's operations are mostly in China, where Mr. Chen spends



TuSimple's Delta 4 trucks at the company's Tucson, Ariz., facility. Company CEO Xiaodi Hou, below.

most of his time. The startup was backed by Chinese investors.

TuSimple's board opened its own investigation in July to look into whether TuSimple incubated Hydron in China, including by funding and transferring technology to the startup without informing regulators, the TuSimple board or its shareholders, said other people familiar with the matter.

The TuSimple spokesman said the company isn't aware of any FBI or SEC investigations. He declined to comment on the board investigation or any discussions with Cfius.

The investigations all center on the possibility that TuSimple leadership failed to make disclosures about the company's financial and technical transactions with Hydron that are required under U.S. law, and how such possible undisclosed dealings may have harmed investors and constituted a failure by Mr. Hou to fulfill his fiduciary responsibilities as CEO and chairman.

Securities laws require that related-party transactions, or financially beneficial transactions between companies or people with a relationship,



KELLY SULLIVAN/GETTY IMAGES FOR TECHCRUNCH

must be disclosed. Investigators are looking in particular at Mr. Hou to determine whether he was involved in setting up and providing technology to Hydron and got paid for it without making the proper disclosures, people familiar with the matter said.

A TuSimple spokesman said Mr. Hou has never been a Hydron employee or received payment from Hydron. Mr. Hou doesn't have a financial interest in the company, the spokesman said.

Cfius, a Treasury Department-led interagency committee that also investigated

TuSimple last year, is examining whether TuSimple made material misstatements to the U.S. government about technology transfer, the people said. Questions from the committee, which is charged with reviewing foreign investment in U.S. companies for national-security risks, include whether Mr. Hou and other executives at TuSimple deliberately hid from the government its dealings with Hydron, the people said.

Cfius intervened earlier this year to compel TuSimple to disclose much of its U.S. data and tech from its own Chinese subsidiary, according to a regulatory filing and former employees. Most China-based TuSimple employees had access to source code and other proprietary technology created by U.S. employees, said former employees.

TuSimple's spokesman said the company takes seriously its agreement with Cfius and has implemented the security requirements.

He said the company is exploring alternatives for TuSimple's China subsidiary, including a potential sale, because "we believe that's in the best interest of our shareholders."

Steelmaker Profits Hurt as Prices Fall

By BOB TITA

Steel prices in the U.S. have fallen to the lowest level in two years, shrinking steel companies' profits but giving manufacturers hope for lower material costs.

Cleveland-Cliffs Inc., United States Steel Corp., Nucor Corp. and Steel Dynamics Inc. reported significantly lower profits from their steelmaking operations during the quarter that wrapped up at the end of September, compared with the same period last year when prices were at record levels.

The weakening demand that started during the summer worsened during fall, pulling down the benchmark spot-market price for coiled sheet steel by more than 20% from the start of July through the end of September, according to S&P Global Commodity Insights. The price is now about 60% lower year over year.

The market's current weakness follows a long stretch of steel shortages that stemmed from inventories being drawn down after mill shutdowns early in the pandemic. The steel industry was caught off guard by the snap back in demand, as customers grabbed extra tons to compensate for rising demand for consumer products, disrupted supply chains and unreliable freight service. Steelmakers were able to push through repeated price increases that drove the spot-market price to nearly \$2,000 a ton in September 2021.

As prices began weakening earlier this year, Russia's invasion of Ukraine in February drove prices higher again in the spring. But as consumer spending on household appliances and other steel-laden products weakened this summer and as steel became easier to get, the spot-market price fell rapidly. Coiled sheet steel, widely used in consumer and industrial products, is now at \$740 a ton, a level last reached in fall 2020,

according to S&P.

U.S. Steel last month idled one blast furnace for melting iron ore to make steel at three mills because of softening demand. Chief Executive David Burritt said the furnaces will restart production when orders for steel pick up. Profit from the company's flat-rolled steel unit—the company's largest business by sales—fell by 50% in the quarter year over year.

Manufacturers said falling steel prices this year are giving them more leverage with steel companies when they negotiate steel-supply contracts for next year. "We started to see the metal market come back to us," Gina Goetter, chief financial officer for **Harley-Davidson Inc.** recently said.

One benchmark price for coiled sheet steel is down 60% year over year.

For steelmaker Cleveland-Cliffs, net income plunged to \$165 million from \$1.3 billion a year earlier, when spot-market prices for sheet steel reached a record \$1,960 a ton in September 2021. The Cleveland-based company said the decline was accelerated by a production outage at its Cleveland mill for repairs to equipment. The company reported steel shipments dropped by 12% from the same period last year.

Cleveland-Cliffs Chief Executive Lourenco Goncalves recently said he has no plans to curtail production because of weak market conditions if other steelmakers continue to run their mills unabated. "We are not going to take equipment down just to implement discipline in the market if others are completely undisciplined," he said. "As long as we can make money, we will run."

Internet Giants Prepare for Challenges to Legal Shield

By JOHN D. MCKINNON

WASHINGTON—The liability shield and other legal protections that fueled the fortunes of Google, Facebook and other internet giants are facing a long-anticipated day of reckoning—but it is the Supreme Court, and not Congress, that will be calling the shots.

That has the tech industry worried that an unfavorable ruling by the high court could shake the foundations of the internet economy by imposing a new set of ground rules.

The federal shield law, known as Section 230, generally protects internet platforms such as YouTube, Facebook and **Yelp** from being sued for harmful content posted by third parties on their sites. The Supreme Court agreed this month to hear a lawsuit against Google in which the plaintiffs contend Section 230 shouldn't protect platforms that steer people to harmful content, such as terrorist videos.

Meanwhile, Texas and Florida state laws targeting alleged online censorship by Big Tech platforms also are under separate legal challenges that are expected to soon land on the Supreme Court's doorstep. The industry contends those laws, which seek to tightly regulate the platforms as common carriers, violate the platforms' First Amendment free-speech rights by curbing their ability to take down or otherwise restrict content.

Internet companies worry that adverse rulings in any of these cases could undercut their business model. Scaling back Section 230's protections could hamper the use of algorithms that help platforms keep users engaged and could also open them to a torrent of litigation. Curbing their ability to moderate content on their services, meanwhile, could turn much of the internet into a cesspool, they contend.

On the other hand, many critics of the internet companies believe the Supreme Court now has a chance to rein in legal protections that have left



At issue in the case are videos shown on Google's YouTube.

the companies too lightly regulated and too powerful.

"This is going to be the most important [Supreme Court] term ever for the internet," said Alan Rozenshtein, a former Justice Department cybersecurity official who is now a University of Minnesota law professor. "It's not even close."

The tech industry is already trying to calibrate how it might respond to an unfavorable ruling, including pressing Congress to adopt legislation to rewrite Section 230 with more clear-cut liability protections, said Matt Schruers, president of the Computer and Communications Industry Association, a trade group.

"I could foresee an outcome where the litigation and compliance risks stemming from an ill-considered decision are so great that many small firms exit the market," leading to foreign-based services gaining market share, he said.

"To say that another way, U.S. competitiveness is potentially at risk here, and we have the most to lose from getting this wrong," he said.

Lawmakers and President Biden have long called for modifying Section 230 to address what they say are flaws in the law, but legislation to do so has repeatedly fizzled.

The high court will get a turn at bat by hearing an appeal in *Gonzalez v. Google*, brought by the family of Nohemi Gonzalez, who was killed in the 2015 Islamic State ter-

rorist attack in Paris. The plaintiffs claim that YouTube, a unit of **Alphabet Inc.**'s Google unit, aided ISIS by recommending the terrorist group's videos to users.

Google contends that Section 230 of the Communications Decency Act of 1996 protects it from any liability for content posted by users on its site.

The court also agreed to hear a similar case involving **Twitter Inc.** as well as Google and **Meta Platforms Inc.**'s Facebook, although that case isn't expected to focus on Section 230.

The result of these cases is effectively a change in venue for Big Tech oversight—from Congress to the courts—in a shift that will blunt Silicon Valley's immense lobbying clout.

The tech giants have successfully fended off any major legislation changing their business models, despite congressional hearings and investigations into Big Tech's market power and the harmful effects of its social-media platforms.

This year, a bipartisan effort led by Sen. Amy Klobuchar (D., Minn.) and Sen. Chuck Grassley (R., Iowa) to bar dominant tech platforms from favoring their own products and services also appears to be fading amid a pitched ad campaign against it by tech companies that say it could force them to stop offering popular services to consumers.

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TECHNOLOGY

WSJ.com/Tech

Foxconn Tries to Curb Covid Outbreak

Apple smartphone assembler scrambles to keep production lines moving along

By WENXIN FAN AND SELINA CHENG

HONG KONG—Foxconn Technology Group is scrambling to contain a weekslong Covid-19 outbreak at an iPhone factory in central China, trying to appease frightened and frustrated workers during a crucial period for smartphone orders.

In Foxconn's main Zhengzhou facility, the world's biggest assembly site for Apple Inc.'s iPhones, hundreds of thousands of workers have been placed under a closed-loop system for almost two weeks. They are largely shut off from the outside world, allowed only to move between their dorms or homes and the production lines.

Many said they have been confined to their quarters for days and that distribution of food and other essentials has been chaotic. Many others say they are too scared to carry on working because of the risk of getting infected.

Foxconn denied what it said were online rumors that 20,000 cases had been detected at the site and said that for "the small number of employees affected by the pandemic," it is providing necessary supplies.

"A sudden outbreak disrupted our normal life," Foxconn said on Friday in a post to its workers on WeChat, a social-media platform. "An orderly progress in both pandemic prevention and output depends on the efforts of all staff," it said.



Foxconn, which assembles Apple smartphones, says it employs as many as 300,000 workers in the central Chinese city of Zhengzhou.

conn said on Friday in a post to its workers on WeChat, a social-media platform. "An orderly progress in both pandemic prevention and output depends on the efforts of all staff," it said.

It outlined plans to ensure proper food supplies and mental well-being support and

pledged to respond to workers' concerns.

Asked about the workers' details of the situation at the site, Foxconn didn't respond.

"It's too dangerous to go to work," a 21-year-old worker who has been confined to his dorm told The Wall Street Journal, saying he was skepti-

cal about the company's claim that there was a low level of infections at the plant.

The disruption at Foxconn is the latest example of the economic and societal toll from China's rigid pandemic-control policies.

Foxconn says it employs as many as 300,000 workers in

Zhengzhou.

Some analysts estimate that the company produces half or more of Apple's smartphones in the city, making it vital for delivering iPhones to consumers, including for the coming winter holiday season when demand for the handsets typically spikes.

Twitter Prepares Layoffs

Continued from page B1
Twitter's plans for job cuts and the severance issue.

Several employees have said they are worried that Mr. Musk could move to cut jobs before Tuesday, which is a vesting date for Twitter's compensation program. Employees' grants were expected to be paid as cash after Mr. Musk's acquisition, according to people familiar with the issue. Several employees have said they are concerned Mr. Musk could try to avoid making those payments if their employment is terminated before Tuesday.

"This is false," Mr. Musk tweeted Sunday evening, replying to a tweet that highlighted the concern in a New York Times article.

On Thursday, Mr. Musk took steps to assure Madison Avenue, publishing a letter saying he very much believed "that advertising, when done right, can delight, entertain and inform you." On Friday, he told advertisers Twitter would be "forming a content moderation council with widely diverse viewpoints."

Some advertisers have expressed concern that Mr. Musk's stated commitment to free speech will lead to a surge of content that is offensive to some users or at least not advertiser-friendly.

"Twitter's ad business is already on shaky ground," said Jasmine Enberg, principal analyst at Insider Intelligence, a market-research firm.

Twitter spent part of the weekend addressing some content issues that sprung up after Mr. Musk's takeover.

Several nonprofits, including the Anti-Defamation League and the Network Contagion Research Institute, have in recent days pointed to a sudden rise in hate speech on the platform.

The ADL, a Jewish advocacy group that examines anti-Semitism in the U.S., said it identified more than 1,200 tweets and retweets spreading anti-Semitic memes and called it a coordinated effort that followed Mr. Musk's takeover. The Network Contagion Research Institute, which studies online social threats, tweeted data Friday showing that the use of the N-word on Twitter jumped 500% in the previous 12 hours.

Yoel Roth, Twitter's head of safety and integrity, said Saturday that a small number of accounts were behind many of the tweets of slurs or hateful content, including 50,000 tweets of one racial slur from 300 accounts. The company is acting to ban the users involved in the "trolling campaign" and will work to address the issue, he said.

—Sarah E. Needleman contributed to this article.

Tech Stocks Pressed by High Rates

Continued from page B1

trading below a measure of their net worth and shares of economically sensitive companies such as manufacturing firms. He is particularly bullish on industrials, utilities and energy stocks, the types of companies that helped push the Dow Jones Industrial Average 5.7% higher over the past week, outpacing the S&P 500.

In addition to navigating rising rates and high valuations, tech executives have been grappling with a soaring U.S. dollar, consumers whose spending power is pinched by inflation and the possibility of an economic slowdown. Intel Corp. this past week announced plans to trim costs by \$3 billion next year.

Ms. Bhansali of Ariel Investments said many companies in the technology sector took their cues from investors and overspent in recent years. She thinks they will now have to adjust and still doesn't think it is a good time to invest in stocks such as Meta and Alphabet because they will likely be hurt by declining advertising revenue.



The 2022 market bust has burned stock traders in Meta Platforms and other FAANG shares.

Some tech heavyweights still appear expensive despite this year's sharp pullback, analysts said. Amazon shares are trading with a price/earnings ratio of roughly 65 times projected earnings over the next 12 months, according to FactSet. The S&P 500 trades at around 16 times projected

earnings.

Right now, Ms. Bhansali favors companies that offer steady payouts to investors through dividends as well as those with recurring revenue through subscription services. She is also looking at telecom companies, with the thinking that consumers likely won't stop paying their mobile-phone bills during a recession.

Some companies' spending is facing increased scrutiny.

After Meta forecast capital spending of more than \$30 billion, primarily for artificial-intelligence investments, analysts on the company's earnings call pressed executives on how the expenses would pay off.

Meta Platforms Chief Executive Mark Zuckerberg expressed confidence that his initiatives would reward shareholders who showed patience. The next day, Meta's

stock dropped 25%.

Not all quarterly results have been a disaster. Apple Inc. reported record revenue in its September quarter, and its shares rallied 7.6%.

Others are hanging on. David Jeffress, a portfolio manager at Laffer Tengler Investments, said his firm didn't trim its Microsoft stake even after the company reported its weakest revenue growth in over five years. He sees underappreciated opportunities in subscription-based revenue segments such as Microsoft Teams, LinkedIn and gaming.

"Selling at this point would be giving the stock away," said Mr. Jeffress. But plenty of investors aren't showing the same sort of resolve. Snap Inc. shares fell 28% in a day this month after the company posted its weakest sales performance since coming public, leaving the stock down 79% for 2022.

Earlier this year, executives decided to discontinue a flying selfie camera known as the Pixy just months after unveiling it. Asked about the decision at The Wall Street Journal's Tech Live conference this past week, Chief Executive Evan Spiegel responded that "it is a fabulous and low-margin product in a world of 5% rates."

THE TICKER | MARKET EVENTS COMING THIS WEEK

Monday	
Chicago PMI	Sep., previous 45.7 Oct., expected 47.0
Earnings expected	
Aflac	1.21/1.56
Arista Networks	1.04/0.74
Global Payments	2.48/2.18
NXP Semiconductors	3.66/2.84
Stryker	2.23/2.20
Williams Companies	0.44/0.34
Tuesday	
Fed 2-day meeting starts	
Construction spending	
Aug., previous	down 0.7%
Sep., expected	down 0.6%
ISM mfg. index	
Sep., previous	50.9
Oct., expected	50.2
Earnings expected	
Advanced Micro Devices	0.70/0.73
Eaton Corp.	2.01/1.75
Eli Lilly and Company	1.91/1.94
Marathon Petroleum	6.97/0.73
Mondelez International, Class A	0.69/0.70
Pfizer	1.39/1.34
Wednesday	
Fed rate-policy meeting	



An Eaton facility in Mexico. The company is expected to report quarterly results on Tuesday.

Target rate	3.00-3.25	CVS Health	2.00/1.97	Previous	217,000	Estimate/Year Ago	Unemployment rate	
EIA status report	Previous change in stocks in millions of barrels	Emerson Electric	1.39/1.21	Expected	222,000	Amgen	4.44/4.67	
Crude-oil stocks	up 2.6	Humana	6.27/4.83	Productivity	2nd qtr., prev down 4.1%	Cigna	5.72/5.73	
Gasoline stocks	down 1.5	MetLife	1.18/2.39	3rd qtr. prel. exp.	up 0.6%	ConocoPhillips	3.41/1.77	
Distillates	up 0.2	QUALCOMM	3.14/2.55	Int'l trade deficit (in billions)	Aug., previous \$67.4	EOG Resources	3.79/2.16	
Mort. bankers indexes	Purch., previous	Thursday	EIA report: natural-gas	Sep., expected	\$72.0	PayPal Holdings	0.96/1.11	
Refinan., prev.	up 0.1%	Earnings expected	Previous change in stocks in billions of cubic feet	Aug., previous	up 0.4%	Starbucks	0.72/1.00	
Booking Holdings	49.56/37.70	Factory orders	Aug., previous	Sep., expected	up 3.6%	Friday	Nonfarm payrolls	
Initial jobless claims	Earnings expected	Aug., previous	up 0.0%	Sep., expected	up 0.4%	Sep., previous	263,000	
Earnings expected	Estimate/Year Ago	Sep., expected	up 0.4%	Oct., expected	225,000	Oct., expected	225,000	
Cardinal Health	0.96/1.29	Cardinal Health	0.96/1.29	Dominion Energy	1.08/1.11	Duke Energy	1.84/1.88	
Dominion Energy	1.08/1.11	Hershey	2.10/2.10	Liberty Media Series C	Liberty Formula One	0.19/(0.22)	PPL	0.42/0.36

* 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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BUSINESS NEWS

PCAOB Steps Up Audit Oversight

By JEAN EAGLESHAM

The U.S. audit regulator is getting tougher on rule-breaking accountants after years of criticism for its alleged light touch. But there are limits to how much it can change.

The shift is being led by the new chairwoman of the Public Company Accounting Oversight Board, Erica Williams, who said, "When people cheat, you need to...make sure that there are serious consequences."

This month, the PCAOB announced its biggest-ever fine

against an individual, pledged more sweeps to root out wrongdoing by audit firms, and vowed to boot out bad actors from the profession.

Ms. Williams took over the regulator in January, becoming the first woman and first person of color to head the watchdog. "We're not going to be limited to just the types of cases we've brought in the past or the penalties that we've sought in the past," Ms. Williams said.

The PCAOB's data this year show that it is significantly in-

creasing penalties but also showing how small the penalties had been. The average penalty against an individual so far this year, for example, is \$44,333, more than six times the \$6,996 average for 2017 through 2021, according to the regulator.

Lynn Turner, a former chief accountant at the SEC, said the very low historic level of PCAOB fines means claims of record-setting punishments are meaningless. "What is relevant to investors is whether fines are large enough to deter poor

performance by auditors," he said.

The rules created for the regulator, some the result of lobbying by big accounting firms, constrain its actions.

"There are limits on how much the PCAOB can dial up enforcement," said Daniel Goelzer, a former acting chairman of the regulator.

Some argue it makes little sense to have a separate audit regulator when the SEC also does much of that job. Hester Peirce, a Republican SEC commissioner, this month said the

PCAOB's \$23 million annual enforcement budget could be used by the SEC to pursue serious cases, rather than chasing after relatively minor violations.

Ms. Williams declined to comment on the SEC commissioner's remarks but said investors were benefiting from the work of both regulators.

Ms. Williams said he would support changing the law to make the PCAOB's disciplinary proceedings public, in line with the way the SEC and many other regulators operate.



Regulator Erica Williams

Closed-End Funds

Listed are the 300 largest closed-end funds as measured by assets. Closed-end funds sell a limited number of shares and invest the proceeds in securities. Unlike open-end funds, closed-ends generally do not buy their shares back from investors who wish to cash in their holdings. Instead, fund shares trade on a stock exchange. NA signifies that the information is not available or not applicable. NS signifies funds not in existence for the entire period. 12 month yield is computed by dividing income dividends paid (during the previous 12 months for periods ending at month-end or during the previous 52 weeks for periods ending at any time other than month-end) by the latest month-end market price adjusted for capital gains distributions. Depending on the fund category, either 12-month yield or total return is listed.

Table with 5 columns: Fund (SYM), NAV, Close, Disc, Ret. Includes sections for General Equity Funds, Specialized Equity Funds, Income & Preferred Stock Funds, U.S. Mortgage Bond Funds, Investment Grade Bond Funds, and Loan Participation Funds.

Table with 5 columns: Fund (SYM), NAV, Close, Disc, Ret. Includes sections for Convertible Sec's Funds, World Equity Funds, High Yield Bond Funds, and Other Domestic Taxable Bond Funds.

Table with 5 columns: Fund (SYM), NAV, Close, Disc, Ret. Includes sections for High Yield Bond Funds, Other Domestic Taxable Bond Funds, and National Muni Bond Funds.

Table with 5 columns: Fund (SYM), NAV, Close, Disc, Ret. Includes sections for High Yield Bond Funds, Other Domestic Taxable Bond Funds, and National Muni Bond Funds.

Table with 5 columns: Fund (SYM), NAV, Close, Disc, Ret. Includes sections for High Yield Bond Funds, Other Domestic Taxable Bond Funds, and National Muni Bond Funds.

Table with 5 columns: Fund (SYM), NAV, Close, Disc, Ret. Includes sections for High Yield Bond Funds, Other Domestic Taxable Bond Funds, and National Muni Bond Funds.

IPO Scorecard

Performance of IPOs, most-recent listed first

Table with 10 columns: Company, SYMBOL, IPO date/Offer price, Friday's close, % Chg From Offer, 1st-day close, % Chg From Offer, 1st-day price, % Chg From Offer, 1st-day close. Lists companies like Nexalin Technology, Corebridge Financial, and others.

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TRUST YOUR DECISIONS

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 October 28, and year-to-date stock performance of the company.

Biggest weekly individual trades

Based on reports filed with regulators this past week

Table with 10 columns: Date(s), Company, Symbol, Insider, Title, No. of shrs in trans, Price range, \$ Value in transaction, Close, Ytd (%). Lists trades for companies like Local Bounti, Envia, Texas Capital Bancshares, etc.

Sellers

Table with 10 columns: Date, Company, Symbol, Insider, Title, No. of shrs in trans, Price range, \$ Value in transaction, Close, Ytd (%). Lists sales for companies like Ares Management, Archer Daniels Midland, etc.

Buying and selling by sector

Based on actual transaction dates in reports received this past week

Table with 6 columns: Sector, Buying, Selling, Sector, Buying, Selling. Lists sectors like Basic Industries, Capital Goods, Consumer durables, etc.

CLOSED-END FUNDS

Continued From Page B6

Table of Closed-End Funds with columns: Fund (SYM), NAV, Close/Disc, Prem, 52 wk Ret, and Prem12 Mo Yld. Includes sections for High Yield Bond Funds, General Equity Funds, Specialized Equity Funds, Income & Preferred Stock Funds, and World Equity Funds.

Cash Prices

Friday, October 28, 2022

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table of Cash Prices for Energy, Metals, Grains and Feeds, Food, and Fibers and Textiles. Lists various commodities and their prices.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co. K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Seasland Publishing; R=S&L Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=Weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 10/27

Source: Dow Jones Market Data

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table of U.S.-dollar foreign-exchange rates for various countries including Americas, Europe, Asia-Pacific, and Middle East/Africa.

Sources: Tullett Prebon, Dow Jones Market Data

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Securities (as defined below) and the provisions herein are subject in their entirety to the provisions of the U.S. Offer (as defined below). The U.S. Offer is made solely pursuant to the U.S. Offer to Purchase dated October 31, 2022 and the related Letters of Transmittal (as defined below) and any amendments or supplements thereto.

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Pursuant to the U.S. Offer to Purchase dated October 31, 2022 by

PagoNxt Merchant Solutions, S.L.

PagoNxt Merchant Solutions, S.L., a company organized under the laws of the Kingdom of Spain ("Purchaser"), is making an all cash tender offer pursuant to an offer to purchase (the "U.S. Offer to Purchase"), in addition to a concurrent separate all cash tender offer on equivalent terms in Brazil (the "Brazilian Offer") and together with the U.S. Offer (as defined below), the "Offers" pursuant to other offering documents published in Brazil, up to any and all of the outstanding (i) common shares, no par value (the "Common Shares"), preferred shares, no par value (the "Preferred Shares" and, together with the Common Shares, the "Shares") and units, each composed of one Common Share and one Preferred Share (the "Units"), traded on B3 S.A.—Brasil, Bolsa, Balcão (the "B3") and (ii) American Depositary Shares, each representing two Units (the "ADSs" and, together with the Shares and the Units, the "Securities"), traded on the Nasdaq Global Select Market, in each case of Getnet Adquirência e Serviços para Meios de Pagamento S.A.—Instituição de Pagamento, a company incorporated under the laws of the Federative Republic of Brazil (the "Company"), at a price per Security equal to the U.S. dollar equivalent of R\$2.36 per Common Share, R\$2.36 per Preferred Share, R\$4.72 per Unit and R\$9.44 per ADS, in each case payable in U.S. dollars based on the exchange rate reported by the Brazilian Central Bank (Banco Central do Brasil) ("Brazilian Central Bank") on the business day prior to the settlement date of the U.S. Offer, to be adjusted for any potential dividends, interest on own capital and/or bonuses which may be paid, and/or splits, reverse splits and conversions which may take place, between the date on which the Offers were announced and the dates of expiration of the Offers (but excluding the interest on capital already announced on May 4, 2022 and paid on June 27, 2022, which will not be deducted from the offered price) (the "U.S. Offer Price"), without interest, upon the terms, and subject to the conditions, set forth in the U.S. Offer to Purchase and the related letter of transmittal for the Common Shares and Preferred Shares (the "Share Letters of Transmittal"), the related letter of transmittal for Units (the "Unit Letter of Transmittal") and the related letter of transmittal for ADSs (the "ADS Letter of Transmittal"), together with the Share Letters of Transmittal and the Unit Letter of Transmittal, the "Letters of Transmittal" which, together with any amendments or supplements, collectively constitute the "U.S. Offer." Tendering securityholders whose Securities are registered in their names and who tender directly to Purchaser will not be charged brokerage fees or similar expenses on the sale of Shares for cash pursuant to the U.S. Offer. Tendering securityholders whose Securities are registered in the name of their broker, bank or other securities intermediary should be responsible for any fees or commissions in connection with such tender. The ADSs were issued under a facility created pursuant to the deposit agreement by and among the Company, The Bank of New York Mellon, and all holders from time to time of ADSs.

THE U.S. OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M. NEW YORK CITY TIME, ON NOVEMBER 30, 2022, UNLESS THE U.S. OFFER IS EXTENDED OR EARLIER TERMINATED (THE "EXPIRATION DATE").

The Company will file a Solicitation/Recommendation Statement on Schedule 14D-9 ("Schedule 14D-9") with the United States Securities and Exchange Commission (the "SEC") and disseminate the Schedule 14D-9 to the Company's securityholders. The Schedule 14D-9 will include important information, and should be read carefully and in its entirety before any decision is made with respect to the U.S. Offer.

The U.S. Offer is being made for up to any and all of the target Securities, but it may be subject to proration. As required under Brazilian law and in compliance with the procedures provided for under Resolution No. 85/2022 of the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários) ("CVM") for registered tender offers, if up to one third of the Securities held by holders of Securities other than Purchaser, the Company or any of their directors, officers or affiliates (the "Unaffiliated Security Holders" and the "Unaffiliated Securities," respectively), on a per Share basis, are tendered in the Offers, then Purchaser shall accept for tender and pay for all Securities validly tendered and not withdrawn in the Offers. If more than one third of the Unaffiliated Securities but less than two thirds of the Securities held by (a) holders of Securities (other than any directors or officers of the Company, or any affiliates of Purchaser) that either (i) tendered Securities in the auction to be held on the electronic trading system of the B3 as part of the Brazilian Offer (the "Auction") or to the Tender Agent (as part of the U.S. Offer), or (ii) otherwise expressly noted in the applicable Letter of Transmittal their agreement with the deregistration of the Company as a publicly-held company in Brazil with the CVM without having tendered Securities in the Offers (such persons referred to in (i) and (ii)), the "Consenting Shareholders"), and (b) any persons (other than any directors or officers of the Company, or any affiliates of Purchaser) who either (x) qualified their Shares or Units for participation in the Auction but either did not tender Securities therein or in the U.S. Offer or registered a tender price for their Shares or Units in the Auction that was greater than the offer price in the Auction, or (y) expressly noted in the applicable Letter of Transmittal their disagreement with the deregistration of the Company as a publicly-held company in Brazil with the CVM without having tendered Securities in the Offers (such persons referred to in (b)), the "Dissenting Shareholders"), are tendered in the Offers, then Purchaser shall accept for tender and pay for up to one third of all Unaffiliated Securities that are validly tendered and not withdrawn in the Offers on a prorated basis, based on the ratio that (1) one third of the total number of Unaffiliated Securities bears to (2) the total number of Unaffiliated Securities tendered (in each case, on a per Share basis). If the number of Securities validly tendered and not withdrawn by Unaffiliated Security Holders is greater than two thirds of all Securities held in the aggregate by Consenting Shareholders and Dissenting Shareholders, then Purchaser shall accept for tender and pay for all Securities validly tendered and not withdrawn in the Offers. These provisions are intended to preserve an adequate market for publicly-held securities following a tender offer that is undersubscribed, and consequently there is no requirement that Securities tendered by non-Unaffiliated Security Holders be subject to proration.

The U.S. Offer is subject to the conditions set forth in "The U.S. Offer—Section 11. Conditions to the U.S. Offer" section of the U.S. Offer to Purchase, including, without limitation: (i) that since the commencement of the U.S. Offer, there shall not have occurred or been threatened any change (or any condition, event or development involving a prospective change) in the business, properties, assets, liabilities, capitalization, shareholders' equity, condition (financial or otherwise), operations, licenses, franchises, permits, permit applications, results of operations, cash flows or prospects of the Company or any of its subsidiaries, which, in Purchaser's reasonable judgment, is or may be materially adverse to the Company or any of its subsidiaries, including certain events described in "The U.S. Offer—Section 11. Conditions to the U.S. Offer" in the U.S. Offer to Purchase; (ii) that none of the conditions described under "The U.S. Offer—Section 11. Conditions to the U.S. Offer" shall have occurred since the commencement of the U.S. Offer; (iii) that since the commencement of the U.S. Offer, no public, governmental, judicial, legislative or regulatory authority in the U.S., Brazil, Spain or any other relevant jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, law, rule, regulation, executive order, decree, injunction or other order, or shall have threatened to do any of the foregoing, which prevents or prohibits the consummation of the U.S. Offer, adversely affects the terms and/or conditions of the U.S. Offer or which entails additional risks, or causes any of the certain other effects described in "The U.S. Offer—Section 11. Conditions to the U.S. Offer"; and (iv) that any additional conditions precedent to the Brazilian Offer shall have been satisfied or waived.

Upon the terms and subject to the conditions of the U.S. Offer (including, if the U.S. Offer is extended or amended, the terms and conditions of such extension or amendment), Purchaser will accept for payment and pay for all Securities that are validly tendered and not properly withdrawn in accordance with "The U.S. Offer—Section 4. Withdrawal Rights" of the U.S. Offer to Purchase before 5:00 p.m., New York City time, on the Expiration Date (subject to proration, if applicable).

In the event that Purchaser does not acquire all of the outstanding Securities, Purchaser may, at its election, in accordance with the applicable provisions of Rule 14d-11 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provide for a subsequent offering period in which it would offer to purchase, at the same price (in Brazilian reais, but payable in U.S. dollars) of the U.S. Offer, any Securities that remain outstanding following the Expiration Date of the U.S. Offer. Further, Purchaser will provide for such a subsequent offering period for a period of three calendar months after the Auction Date (as defined below) if the U.S. Offer is subject to proration as described in the U.S. Offer to Purchase and more than one third of the U.S. Unaffiliated Securities, on a per Share basis, are acquired in the U.S. Offer (unless (i) Purchaser has acquired all Securities of the Company pursuant to the Offers, or (ii) Purchaser is required to provide for a mandatory subsequent offering period by Brazilian law, in which case Purchaser will commence a subsequent offering period as described in the following sentence). In addition, as required under Brazilian law, if, after the initial offering period, Consenting Shareholders tendered or held Securities that amount, collectively, to more than two thirds (on a per Share basis) of the total number of outstanding Securities held by Consenting Shareholders and Dissenting Shareholders, then Purchaser will provide for a subsequent offering period under Rule 14d-11 under the Exchange Act in which all holders of Securities that were not acquired during the initial offering period will have a right to tender such Securities to Purchaser at any time during the three calendar months after the date of the Auction for the same cash consideration per Security that they would have received during the initial offering period in respect of their Securities, as adjusted by the "SELIC rate," the Brazilian benchmark interest rate, from the Auction Date until the date of effective payment. The Auction will occur on December 1, 2022 at 3:00 p.m. São Paulo time (1:00 p.m. New York City time) (the "Auction Date"). If Purchaser extends the U.S. Offer, Purchaser will inform the Tender Agent of that fact and will make a public announcement of the extension, once the B3 has certified the results of the Auction, which is expected to occur at or around 5:00 p.m., New York City time, on the Auction Date.

You may withdraw Securities at any time prior to the Expiration Date and, if we have not accepted your Securities for payment by December 30, 2022 (which is the 60th day after the date of the commencement of the U.S. Offer), you may withdraw them at any time after that date until we accept Securities for payment. If Purchaser provides for a subsequent offering period in accordance with Rule 14d-11 promulgated under the Exchange Act, you will have limited withdrawal rights with respect to any Securities you have tendered during such subsequent offering period. Securities tendered pursuant to the U.S. Offer during a subsequent offering period may be withdrawn at any time prior to 5:00 p.m. New York City time, on the date of the tender of such Securities. To withdraw Securities, you must deliver an executed written notice of withdrawal, or a facsimile of one, with the required information to the Tender Agent while you still have the right to withdraw the Securities. See "The U.S. Offer—Section 4. Withdrawal Rights" in the U.S. Offer to Purchase.

The Company has provided to Purchaser its list of shareholders and security position listings for the purpose of disseminating the U.S. Offer to holders of the Securities. The U.S. Offer to Purchase, the related Letters of Transmittal and other related materials will be mailed to record holders of the Securities, and the U.S. Offer to Purchase and other related materials will also be furnished to brokers, dealers, commercial banks, trust companies and other securities intermediaries whose names appear on the Company's shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of the Securities. Brokers, dealers, banks and trust companies will be reimbursed by Purchaser for customary mailing and handling expenses incurred by them in forwarding the U.S. Offer materials to their customers. We will also mail U.S. Offer to Purchase, the related Letters of Transmittal and/or other related materials to any record or beneficial holder of Securities that requests a copy thereof.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Securities, including questions as to the proper completion of any Letter of Transmittal, or other required documents, will be determined by Purchaser in its sole and absolute discretion (which may be delegated to the Tender Agent), which determination will be final and binding on all parties.

Generally, if you are a U.S. Holder (as defined in the U.S. Offer to Purchase), the sale of your Securities pursuant to the U.S. Offer will be a taxable transaction for United States federal income tax purposes. Further, the sale of your Securities pursuant to the U.S. Offer may be a taxable transaction for Brazilian federal income tax purposes. See "The U.S. Offer—Section 5. Material U.S. and Brazilian Federal Income Tax Consequences" in the U.S. Offer to Purchase. Purchaser urges holders of Securities to consult their own tax advisors about the tax consequences of the U.S. Offer in light of their particular circumstances.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 promulgated under the Exchange Act is contained in the U.S. Offer to Purchase and is incorporated herein by reference. The U.S. Offer to Purchase and the related documents filed with the SEC in connection with the U.S. Offer contain important information, and should be read carefully and in their entirety before any decision is made with respect to the U.S. Offer.

Questions and requests for assistance and copies of the U.S. Offer to Purchase and all other tender offer materials may be directed to the Information Agent, at its address and telephone numbers set forth below and will be furnished promptly at Purchaser's expense. Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than as disclosed in "The U.S. Offer—Section 14. Fees and Expenses" in the U.S. Offer to Purchase) in connection with the solicitation of tenders of Securities pursuant to the U.S. Offer.

The Information Agent for the U.S. Offer is:

MORROW SODALI

Morrow Sodali International LLC 509 Madison Avenue Suite 1206 New York, NY 10022

Shareholders and All Others Call: (800) 662-5200 (Toll-Free in North America) +1 (203) 658-9400 (outside North America)

Email: opagetnet@investor.morrowsodali.com

October 31, 2022

MARKETS DIGEST

New to the Market

IPO Scorecard on B6

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.

Table with columns: Lockup expiration, Issue date, Issuer, Symbol, Offer price (\$), Offer amt (\$ mil.), Through Friday (%), Lockup provision.

Public and Private Borrowing

Treasuries

Table showing Treasury auction details for Monday, October 31 and Wednesday, November 2.

Borrowing Benchmarks

wsj.com/market-data/bonds/benchmarks

Money Rates

October 28, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table of interest rates including Inflation, U.S. consumer price index, International rates, Prime rates, Policy Rates, Overnight repurchase, U.S. government rates, and Discount.

Table of Federal funds and Treasury bill auction rates.

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 1,779.24 points, or 5.72%, on the week.

Table showing the weekly performance of DJIA component stocks, including symbols, closing prices, and percentage changes.

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BUSINESS OPPORTUNITIES

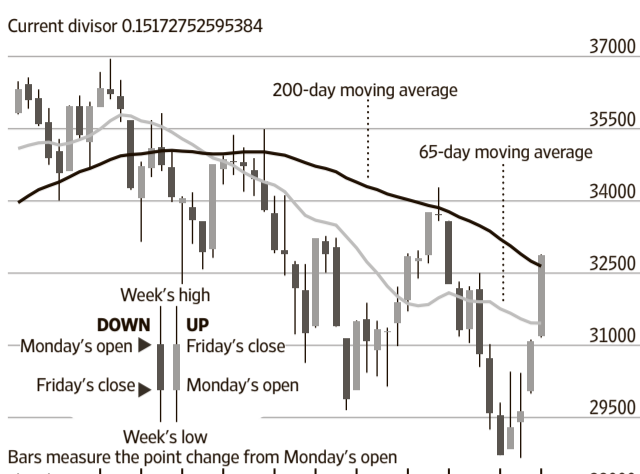
Advertisement for a well-established growing, organic recycling, mulch and soil manufacturing company.

BUSINESS OPPORTUNITIES

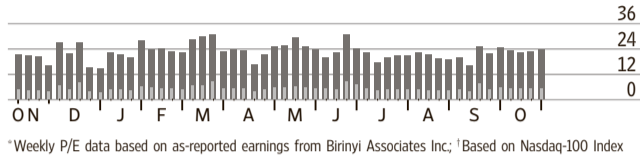
Advertisement for investment opportunities with green liquid hydrogen.

Dow Jones Industrial Average

32861.80 ▲ 1779.24, or 5.72% last week. Trailing P/E ratio 20.23 22.95. P/E estimate * 17.47 18.80.



NYSE weekly volume, in billions of shares



Major U.S. Stock-Market Indexes

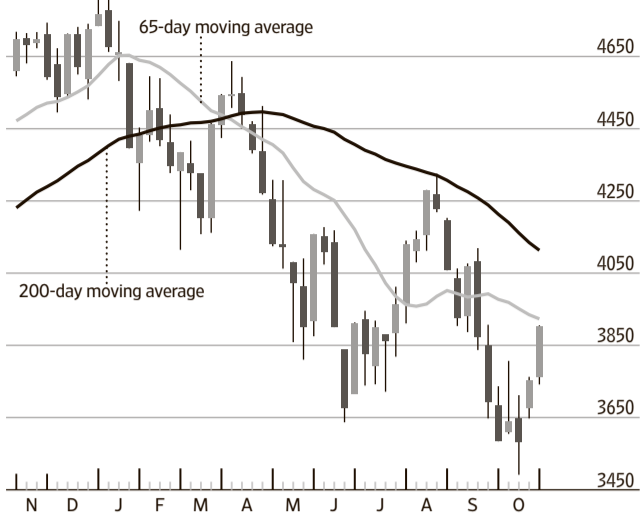
Table of major U.S. stock market indexes including Dow Jones, S&P 500, Russell 2000, and various industry indexes.

International Stock Indexes

Table of international stock indexes from MSCI ACWI to various regional and national indexes.

S&P 500 Index

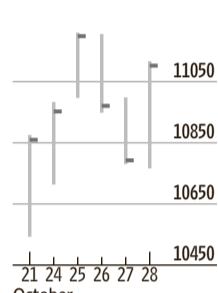
3901.06 ▲ 148.31, or 3.95% last week. Trailing P/E ratio * 18.68 29.27. P/E estimate * 17.03 22.37.



QR code and text for scanning to get real-time U.S. stock quotes and track market data.

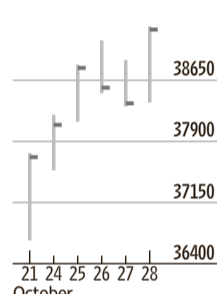
Nasdaq Composite

▲ 242.74, or 2.24% last week



DJ US TSM

▲ 1564.21, or 4.15% last week

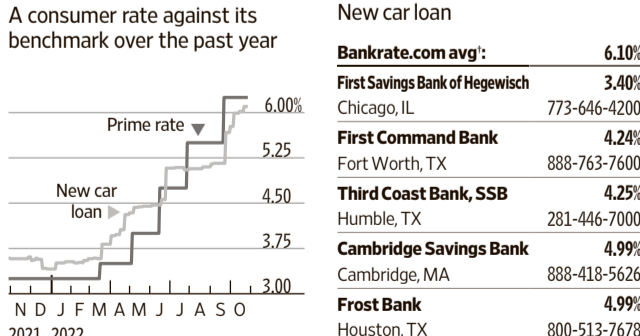


Commodities and Currencies

Table of commodity and currency prices including DJ Commodity, Crude oil, Natural gas, and various dollar and pound rates.

Advertisement for WSJMarkets.com offering free access to real-time market data.

Consumer Rates and Returns to Investor



Benchmark Yields and Rates

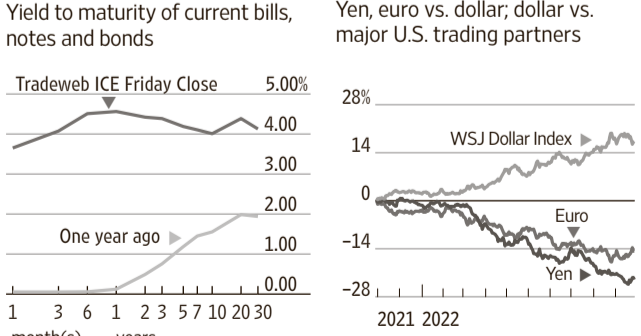


Table of consumer rates and returns to investor for various financial products like Federal funds rate, Prime rate, and mortgages.

Table of corporate borrowing rates and yields for various companies and bond indices.



Allison was bawling, she turned to me and said, 'Mom, I got a D.' It was the first time she called me 'Mom.'

Lisa, adopted 16-year-old Allison



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YOU CAN'T IMAGINE THE REWARD

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