

THE WALL STREET JOURNAL.

What's News

Business & Finance

A substantial amount of FTX's assets are either missing or stolen, a lawyer for the failed crypto exchange said, vowing to cast a wide net to secure potentially billions in funds that passed through the firm he called Bankman-Fried's "personal fiefdom." A1

◆ Sequoia Capital apologized to its fund investors for the \$150 million it lost on FTX, said people familiar with the matter. B2

◆ Digital Currency Group said 2022 revenue is on track to reach \$800 million, down about 20% from what the company expected to generate last year. B1

◆ Investor buying of homes slid 30% in the third quarter, a sign that factors pushing traditional buyers to the sidelines are causing these firms to pull back, too. A1

◆ HP Inc. said it would slash up to about 10% of its workforce, with a sharp slump in demand for PCs expected to stretch into next year. B1

◆ U.S. stocks posted gains, with the S&P 500 and Nasdaq both rising 1.4% and the Dow advancing 1.2%. B11

◆ Best Buy and Dick's Sporting Goods reported mixed quarterly results but said sales wouldn't fall as much as previously expected. B1

◆ A U.K. regulator is deepening an investigation into the market power it says Apple and Google exert over some mobile-device software. B3

World-Wide

◆ Russia has been burning through equipment, ammunition and weaponry at rates that have raised questions about how effectively and for how long it can continue to prosecute its war against Ukraine. A1, A6

◆ The U.S. and its allies are seeking to agree on a level for a price cap on Russian oil as soon as Wednesday, with officials discussing setting it at around \$60 a barrel. A7

◆ The Supreme Court said it wouldn't block a House committee from accessing Trump's tax returns, handing an apparently final defeat to the former president in a long-running court fight. A4

◆ Iranian officials said the country has begun producing near-weapons-grade enriched uranium at a second nuclear facility in response to a rebuke for failing to cooperate with the IAEA. A10

◆ The Biden administration is extending a pause on federal student loan payments following legal challenges that have halted the president's relief plan for student debt. A3

◆ A nonpartisan group that monitors government ethics filed legal complaints alleging the federal government is failing to adequately enforce conflict-of-interest rules. A4

◆ Indonesian rescuers continued to search for the dead and missing from an earthquake on Monday that killed at least 268 people. A18

NOTICE TO READERS

WSJ.com and WSJ mobile apps will publish throughout the Thanksgiving holiday. The print edition won't appear Thursday, but a daily edition will be available in WSJ iPad and Android apps.

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Travel Surge Gets an Early Start for Thanksgiving Holiday



IN LINE: Passengers navigate a security checkpoint at Denver International Airport on Tuesday, as the Transportation Security Administration prepared for travel this week to approach prepandemic levels around the country. A2

Home Sales to Investors Slide 30%

Companies are pulling back their buying as interest rates and high prices take a toll

By WILL PARKER

Investor buying of homes declined 30% in the third quarter, a sign that the rise in borrowing rates and high home prices that pushed traditional buyers to the sidelines are

causing these firms to pull back, too.

Companies bought around 66,000 homes in the 40 markets tracked by real-estate brokerage Redfin during the third quarter, compared with 94,000 homes during the year-earlier quarter. The percentage decline in investor purchases was the largest in a quarter since the subprime crisis, save for the second quarter of 2020 when the pandemic shut down most home buying.

The investor pullback represents a turnaround from months ago when their purchases were still rising fast. These firms bought homes in record numbers last year and earlier this year, helping to supercharge the housing market.

Now, investors are reducing their buying activity in line with the decline in overall home sales, which have slumped with mortgage rates rising fast.

But with investors' large cash positions, and with big firms such as JPMorgan Chase & Co. planning to increase their exposure to the home-buying business, investors are poised to resume more aggressive buying when rates or home prices begin to ease.

These firms have seized on a pandemic-driven rise in demand for homes.

◆ Land-tax policy seen as hurdle to housing..... B6

Munitions Shortages Hamper Russia's War Effort

By STEPHEN FIDLER AND ANN M. SIMMONS

Russia has been burning through equipment, ammunition and weaponry at rates that have raised questions about how effectively and for how long it can continue to prosecute its war against Ukraine.

Both sides have suffered heavy losses of men and materiel since the invasion began in February, but Moscow—which has been yielding territory back to Ukraine after making gains early in the war—is more dependent on its own shrinking economy to replenish supplies than Kyiv is. Ukraine's economy has been more devastated than Russia's, but has powerful backers in the U.S. and its allies, which are providing billions of dollars of military and economic aid.

"They are running low on everything," Eliot Cohen, chair in strategy at the Washington, D.C.-based bipartisan Center for Strategic and International Studies, said of the Russians. A significant proportion of the Russian arsenal brought out of storage has deteriorated because of corruption, mismanagement and poor maintenance, he said.

Western and Ukrainian officials and military analysts said there have been indications that Russian stocks of certain critical weapons systems, including precision missiles, are running low. Moscow can't use its entire inventory of precision missiles—some of which are also used to carry nuclear warheads—because it has to hold some back for use in case

◆ Ukraine aims to oust Russia from peninsula..... A6
◆ Senators ask White House to give Kyiv armed drones..... A6
◆ Screws set to tighten on Russian oil..... A7

Saudis Stun Argentina in Qatar



Saudi Arabia beat two-time champion Argentina, led by Lionel Messi, 2-1 on Tuesday. World Cup coverage, A14 and WSJ.com.

Iran's Leaders Seek Help From Moderates

After purging reformists, government has fewer options for curbing protests

By BENOIT FAUCON AND DAVID S. CLOUD

As antigovernment protests swept across Iran last month, its top leaders made a secret appeal to two of the Islamic Republic's founding families, the moderate Rafsanjani and Khomeini clans that hard-liners had pushed out of power, said people familiar with the talks.

Iran's national-security chief, Ali Shamkhani, asked

representatives of the families to speak out publicly to calm the unrest. If that happened, he said, liberalizing measures sought by demonstrators could follow, the people said.

The families refused, the people said. Iran's Supreme Leader Ali Khamenei and his inner circle face a quandary after two

◆ Iran increases output of enriched uranium..... A10

Disney's Iger Cast Shadow Over His Successor as CEO

LOS ANGELES—Robert Iger never really left Walt Disney Co.

On Feb. 25, 2020, Mr. Iger announced he was handing over the chief executive job to Bob Chapek but would remain

By Erich Schwartzel, Emily Glazer, Robbie Whelan and Jessica Toonkel

at the company in a less hands-on position as executive chairman.

"We're not concerned at all about creating any confusion," he said in an interview with CNBC later that afternoon.

Less than a month later, the two men were at odds over Mr. Chapek's plan to lay off tens of thousands of workers at Disney's theme parks in the

wake of Covid-19, people familiar with the men said.

Soon after that, Mr. Iger announced he was taking a more active role because of the pandemic—leading Mr. Chapek to feel as though he had been undermined from the start, according to people familiar with the matter.

Relations between Mr. Iger and his successor—the "Two Bobs" who are among the only seven men to lead Disney in its nearly 100-year history—never recovered from those early days of Disney's transition of power, according to people who worked with both executives.

Mr. Iger loomed large over

◆ Iger returns to a different streaming landscape..... B1

Palantir logo and advertisement for AI software. Table showing AI Revenue for top companies: Palantir (\$1,392M), Microsoft (\$1,252M), IBM (\$776M), AWS (\$688M), Google (\$536M).

U.S. NEWS

Thanksgiving Travel Surge to Test Airlines

BY ALISON SIDER

Flights are packed. Airport parking lots are filling up. Tickets are expensive. In short, Thanksgiving travel is getting back to normal, for better or worse.

The Transportation Security Administration expects travel volumes this week could approach prepandemic levels, with 2.5 million passengers or more passing through U.S. airports on the busiest days. Daily airport volumes have neared that level several times in recent months, but they haven't surpassed it since the Covid-19 pandemic wiped out travel demand in 2020.

The crowds began to build late last week, with over two million travelers each day since Thursday. Passenger numbers at U.S. airports Sunday and Monday topped the totals for the same days in 2019. The numbers the TSA is predicting this year would still

fall short of the busiest day in its history, the Sunday following Thanksgiving 2019, when nearly 2.9 million passengers passed through U.S. airports.

Airlines say they are prepared for an onslaught of travelers over the holiday period. After stumbles early in the summer, carriers cut back their flight schedules and held off on plans to add more flights in an effort to better cope with staffing shortfalls and other constraints.

Operations have stabilized, airline executives have said, as they have ramped up hiring with an eye toward making sure they have a buffer to recover when things go wrong. Since the start of October, U.S. carriers have canceled about 1% of U.S. flights, according to figures from FlightAware—only slightly higher than the period in 2019, before the pandemic upended the industry.

"I believe we're ready," Robert Isom, chief executive of

American Airlines Group Inc., said at an industry event last week, adding that October was one of the best months ever for American's operation despite hurricanes and other challenges.

Airlines are under pressure to maintain that performance, with scrutiny from stressed-out travelers and government regulators, following frustrations over airlines' missteps during their sometimes rocky recovery from the Covid-19 pandemic. Transportation Secretary Pete Buttigieg wrote to airline executives this month urging them to take steps aimed at smoothing winter travel, such as making sure planes have the equipment to fly over water when busy routes over the Florida panhandle become too crowded.

"We're definitely in better shape than we were this summer," Mr. Buttigieg said Monday at a press conference at O'Hare International Airport.

"I would not say we're out of the woods yet, but I'm cautiously optimistic with this week being off to a good start. And we're going to be watching this very closely" heading into the other winter holidays, he said.

TSA expects around 2.5 million travelers at U.S. airports on the busiest days.

A lake-effect snowstorm last week dumped several feet of snow on western New York, and flight disruptions at Buffalo Niagara International Airport continued into the weekend. But weather across the rest of the country looks fairly calm this week, said Tom Kines, a meteorologist at AccuWeather.

Airline executives and industry analysts said travel patterns this year might look somewhat different, with people spreading their travel throughout the entire week leading up to the holiday rather than piling into a few days. More flexible work arrangements have given people more freedom to travel when it's most convenient or to chase cheaper fares, airlines and analysts said.

This year, people are getting to their destinations earlier and staying later, elongating the holiday travel period, executives at Denver-based budget airline Frontier Group Holdings Inc. told analysts and investors last week.

Andrew and Victoria Jones said they decided to celebrate Thanksgiving early—visiting family in South Carolina last week and returning to Chicago on Monday. They said flying before the holiday rush saved them over \$1,000 on airfare

and eased stress during their twin toddlers' first flight. "It made a lot of sense to go a week early," Mr. Jones said.

Some airline executives said the stretched-out holiday period could help ease the burden on airline operations.

"That's going to help us operationally a bit as well, managing flow," Delta Air Lines Inc. Chief Executive Ed Bastian said last month, discussing the coming holidays during the company's third-quarter earnings call. Delta has said it has taken other steps, such as building in buffer time to crew scheduling and boarding.

Still, the Sunday following Thanksgiving is expected to be the most frenzied day. United Airlines Holdings Inc. said it expects Nov. 27 to be the airline's busiest day since the before the pandemic, and the airline added an extra 275 flights that day to accommodate the demand.

U.S. WATCH

WASHINGTON, D.C.

McCarthy Calls on Mayorkas to Resign

House Republican leader Kevin McCarthy called on Homeland Security Secretary Alejandro Mayorkas to resign over his handling of the southern border or else face a possible impeachment inquiry.

Mr. McCarthy, the California congressman who is the presumptive next speaker of the House once Republicans take control of the chamber in January, made the remarks Tuesday alongside several other GOP lawmakers at a press conference in El Paso, Texas. "House Republicans will investigate every order, every action and every failure, to determine whether we can begin an impeachment inquiry," he said.

In the 2022 fiscal year, which ended Sept. 30, the border saw a record 2.2 million illegal crossings, a number driven by a rise in repeat crossers and a new wave of migration from South America and the Caribbean.

A DHS spokeswoman said Tuesday that Mr. Mayorkas had no plans to step down.

Earlier in the day, responding to Mr. McCarthy's trip to the border, White House press secretary Karine Jean-Pierre said Republicans didn't have a plan to improve the situation.

"What is he doing to help?" she said.

Republicans will have a slim House majority: The GOP is projected to have 220 seats and Democrats 212, with three races uncalled by the Associated Press.

The margin could make it difficult for the GOP to get 218 votes to impeach Mr. Mayorkas or any other administration official, given that some newly elected Republicans are moderates from blue-leaning districts.

—Michelle Hackman



HONORED: Georgia House Speaker David Ralston lay in state in the Capitol rotunda in Atlanta on Tuesday. He died last week at age 68.

MASSACHUSETTS

Driver Is Charged In Apple Store Crash

The man who allegedly drove a vehicle into an Apple store Monday, killing one person and injuring at least 18 others, has been charged with reckless homicide by motor vehicle.

Bradley Rein, 53, was arrested Monday night, said Plymouth County District Attorney Tim Cruz. An attorney for Mr. Rein couldn't be identified.

The Plymouth County District Attorney's office previously said a man drove a 2019 Toyota 4Runner through the glass facade of an Apple store in Hingham, Mass., in the greater Boston area.

First responders found injured people in front of the Apple store and inside, officials said. Some people inside the shop were pinned against a wall by the vehicle, officials said.

Doctors at South Shore Hospital said Monday multiple victims have life-threatening and limb-threatening injuries. South Shore Hospital officials said Tuesday the hospital has treated 18 people who were injured in the crash. Two individuals remain in critical care as of Tuesday, they said.

"Our hearts go out to our team members and customers who were injured and all of those who were affected by this terrible incident," an Apple spokesman said.

—Joseph De Avila

COVID-19

New 6-Week Push To Get Vaccinated

The Biden administration said it would redouble efforts to promote updated Covid-19 shots, adding funding and publicity campaigns to lift lackluster booster rates.

The six-week campaign leading up to the winter holidays will focus on seniors and communities that were hardest hit by the virus, the White House said Tuesday. Some 11% of the U.S. population over the age of 5 has gotten an updated booster shot, federal data show, including just under 30% of people 65 and older.

"The bottom line is we need more Americans vaccinated,"

—Brianna Abbott

said the administration's Covid-19 response coordinator, Ashish Jha. "Each of the last two years, we've seen substantial increases late December into January, and so going out and getting vaccinated right now is a great way to protect yourself if that pattern holds."

The easing of the pandemic, vaccine fatigue, confusing messaging and limited outreach from health officials have likely all contributed to the low booster uptake, public-health experts said.

Covid-19 cases and hospitalizations are largely flat, with some 2,200 deaths reported in the week ended Nov. 16, according to the Centers for Disease Control and Prevention.

Investors Pull Back On Homes

Continued from Page One
mand for houses in suburban areas. These owners rented out the homes and increased rents on homes by double-digit percentages. By the first quarter of 2022, investors accounted for one in every five home purchases nationally.

But ballooning borrowing costs have kept investors from buying as much recently, said John Pawlowski, an analyst at Green Street. Buyers and sell-

ers are also agreeing less often on pricing, stifling sales.

"It leads to a lot of people just putting down the pen," Mr. Pawlowski said.

Rent growth has also begun to slow. Rents for single-family homes rose 10.1% year over year in September, down from 13.9% in April, according to housing data firm CoreLogic.

That rate of growth is still very high by historical standards, however, and much stronger than in the apartment market. Multifamily rent increases are now much lower by most measures. Near record-high rental prices are failing to attract as many new tenants, and demand in the third quarter fell to its lowest level in 13 years.

Demand for rental houses

has held up better, in part because many of these homes are leased to relatively high-earning people who have found the for-sale market too expensive to buy, some analysts said.

That rent growth for single-family owners hasn't translated into stock-market gains this year. Investors have lumped these owners in with home builders and sold many of them. Shares for the three largest publicly traded owners, Invitation Homes, American Homes 4 Rent and Tricon Residential, are each down more than 25% year to date, underperforming the S&P 500 over that period.

Rental landlords also face headwinds from rising property tax assessments that have come alongside enormous in-

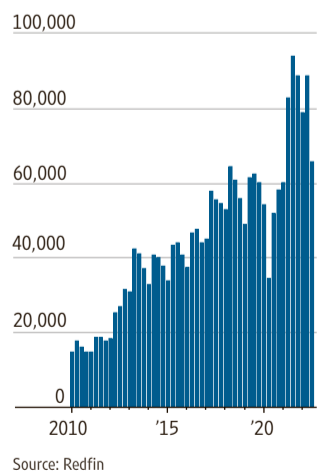
creases in home-price appreciation.

At the same time, large rental landlords are coming under greater scrutiny from federal and local governments.

Congressional Democrats have hosted a series of hearings focused on eviction practices and rent increases. Three Congress members from California this month introduced a bill called the "Stop Wall Street Landlords Act," which proposes levying new taxes on single-family landlords. It would prevent government-sponsored enterprises like Freddie Mac from acquiring and securitizing their debt.

Many of the places where investors have eased purchasing are the same cities where they had counted for an out-

Investor home purchases, quarterly



Source: Redfin

size share of total sales. That includes Las Vegas and Phoenix, where investor sales dropped more than 44% in the third quarter compared with a year ago.

Fewer purchases by online house-flippers, or iBuyers, might have contributed to those declines, according to Redfin. Redfin decided to close its own home-flipping business, RedfinNow, earlier this month.

Nationally, investors still accounted for 17.5% of all home sales in the third quarter, a higher share than they held at any time before the pandemic, by Redfin's count.

That share seems likely to rise again. Builders with un-

sold homes due to widespread cancellations by traditional buyers have been looking to sell in bulk to rental landlords.

Meanwhile, some institutional investors are now readying large funds to snap up homes.

J.P. Morgan's asset-management business said this month it had formed a joint venture with rental landlord Haven Realty Capital to purchase and develop \$1 billion in houses. A unit of real-estate firm JLL's LaSalle Investment Management, in partnership with the landlord Amherst Group, said it plans to buy \$500 million of homes over the next two years.

Tricon has nearly \$3 billion it plans to tap to buy and build homes. "We will lean in and deploy that capital when the time is right," Tricon's Chief Executive Gary Berman said on a November earnings call.

While a recession could bring down borrowing rates, it would likely be accompanied by higher unemployment, making it difficult for traditional buyers to take advantage, said Daryl Fairweather, Redfin's chief economist. For investors, however, that could offer an opportunity to acquire homes at favorable prices.

"An investor may have more resources to jump in at exactly the moment when rates decline," Ms. Fairweather said.

CORRECTIONS & AMPLIFICATIONS

The surname of Alex Schultz, Meta Platforms Inc.'s chief marketing officer, was misspelled as Schulz in some editions on Oct. 28 in a Business & Finance article about the company.

A photo credit for the Paugh Family with a photo of Ashley Paugh that appeared in some editions Tuesday with a U.S. News article about the mass

shooting in Colorado Springs, Colo., was given incorrectly as the Paugh Family/Wheat Ridge Police Department.

In 1997, 3.4 billion yuan was equivalent to about \$410 million. The conversion was given incorrectly as approximately \$28 billion in a Review article on Saturday about the Chinese Communist Party archives.

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

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U.S. NEWS

U.S. Extends Pause on Student Loan Payments

Legal challenges have stymied plan to forgive up to \$20,000 in debt for many borrowers

By ANDREW RESTUCCIA

WASHINGTON—The Biden administration is extending a pause on federal student loan payments following legal challenges that have halted President Biden's plan to forgive up to \$20,000 in student debt for many borrowers.

Payments were set to resume Jan. 1, but they now will resume 60 days after litigation over the loan-forgiveness program is resolved or the program is implemented. While many people would have the entirety of their remaining loan balances erased through the debt-relief program, those who didn't would be required to resume payments once the payment pause was lifted.

If the litigation hasn't been resolved by June 30, payments will resume 60 days after that date, according to the Education Department.

"It isn't fair to ask tens of millions of borrowers who are eligible for relief to resume their student debt payments

while the courts consider the lawsuit," Mr. Biden said in a video posted to his Twitter account.

A federal appeals court last week blocked the administration from moving ahead with its loan-forgiveness program in response to a lawsuit brought by officials in six states. In an emergency appeal on Friday, the Justice Department asked the Supreme Court to throw out the appeals court's injunction.

The legal wrangling has left the largest student loan forgiveness program in U.S. history in limbo, with borrowers uncertain about whether they will see the relief Mr. Biden said the government would provide.

White House officials said they thought the administration will prevail in the courts. "I am completely confident my plan is legal," Mr. Biden said Tuesday.

Payments and interest accrual have been paused for borrowers with federal student loans since March 13, 2020, at the start of the pandemic. The pause has been extended several times, both by then-President Donald Trump and by Mr. Biden.

Mr. Biden rolled out the student loan-forgiveness program in August after more



SUSAN WALSH/ASSOCIATED PRESS

President Biden, pictured with Education Secretary Miguel Cardona in October, said Tuesday that he was 'completely confident' the administration's loan-forgiveness program was legal.

than a year of internal debate. Under the program, individuals earning less than \$125,000 a year would be eligible for up to \$10,000 in federal student-loan cancellation. Borrowers would be eligible for total forgiveness of up to \$20,000 if they received Pell Grants, a form of federal financial aid for students from low-income households.

The majority of the more than 43 million people in the U.S. who hold a total of \$1.6 trillion in student-loan debt were expected to benefit from the plan, according to analysts.

Republicans say the program is unfair because it does nothing to rein in the cost of higher education and doesn't help people who already paid

off their loans, never took out loans or didn't go to college.

In their lawsuit challenging the program, GOP officials in six states alleged that it was an unlawful exercise of presidential authority that would affect state revenues and tax receipts, an assertion rejected by the Justice Department.

Because the Justice Department asked the Supreme Court

to throw out the injunction, the high court isn't considering the broader question of whether the debt relief program is legal. But if the court leaves the initiative on hold while legal challenges continue, the program could remain shelved for months.

U.S. Solicitor General Elizabeth Prelogar wrote in the government's emergency appeal that if the Supreme Court denies the administration's request, the justices should consider taking up the full case right away so they could reach a final decision before the end of the court's term in June.

The Biden administration also has appealed a ruling by a federal judge in Texas that blocked mass debt forgiveness after two borrowers—backed by a conservative group—sued over its eligibility requirements. U.S. District Judge Mark Pittman, a Trump appointee, said the Biden administration had acted unconstitutionally by using legislative powers that are only available to Congress.

The administration said that it also would seek to have the Supreme Court intervene in that case if an appeals court didn't grant its request to put that ruling on hold.

The Lives Lost, Fondly Remembered

A mom who married her high-school sweetheart. Two bartenders working at a popular club on a packed night. A

By Ginger Adams Otis, Joseph De Avila and Nicole Friedman

woman originally from Tennessee and a young man celebrating a birthday with friends.

These are the five people who were killed, along with the 19 injured, in Saturday's shooting inside Club Q, an LGBT venue in Colorado Springs, Colo.

The suspect, Anderson Lee Aldrich, was arrested on murder and hate-crime charges, according to court records.

Raymond Green Vance, 22

Mr. Vance was originally from Chicago but grew up in Colorado Springs, his family said. He was at Club Q with his longtime girlfriend and her family to enjoy a friend's birthday.

"Raymond was a kind, selfless young adult with his entire life ahead of him," the family said in a statement.

Mr. Vance spent most of his time with his girlfriend, whom he had dated since middle school, and playing video-games, according to the family. His girlfriend's father, Richard Fierro, jumped on the gunman and held him down



SCOTT OLSON/GETTY IMAGES

The five people killed in the shooting at Club Q in Colorado Springs, Colo., were honored at a memorial near the venue.

until the police came.

"Raymond grew up surrounded by cousins whom he was very close with, and they and the rest of his tightknit family are still trying to come to terms with the fact he is gone," the family said.

Daniel Davis Aston, 28

Mr. Aston, Club Q bartender, was originally from Oklahoma. A transgender man, Mr. Aston chronicled parts of his transition on social media, writing that he wanted to be "visible" for those who couldn't be.

"He was a beautiful, loving soul with a lot to offer the world," said his father, Jeff Aston. "He loved life and was always happy. He had many,

many friends and relatives that loved him and he contributed to their lives."

Ashley Paugh, 35

Ms. Paugh was from La Junta, Colo. A loving mom to an 11-year-old daughter, Ms. Paugh was enjoying a night out at Club Q on Saturday, her family said. She worked at a nonprofit that helps find homes for foster children.

"We're absolutely devastated by the loss of Ashley," her husband Kurt Paugh said in a statement. "She meant everything to this family, and we can't even begin to understand what it will mean to not have her in our lives."

"Ashley was a loving wife—she was my high school sweet-

heart—and she was just an amazing mother," he said.

Derrick Rump, 38

Mr. Rump was a co-worker of Mr. Aston at Club Q. Mr. Rump began serving drinks at the venue about five years ago, according to a close friend. He was originally from Pennsylvania, his family said.

"He loved the patrons, and being at the bar. He was very kind and thoughtful," said friend Shawn Smith, who used to work as a bartender at Club Q.

Sarah Fischer, who met Mr. Rump about six years ago, said she would go to Club Q two or three times a week to sit and talk with him. She said he was a loving and kind person with an infectious laugh.

Kelly Loving, 40

Ms. Loving was originally from Tennessee, her family said.

"My condolences go out to all the families who lost someone in this tragic event, and to everyone struggling to be accepted in this world," her sister Tiffany Loving said in a statement. "My sister was a good person. She was loving and caring and sweet. Everyone loved her. Kelly was a wonderful person."

—Alyssa Lukpat contributed to this article.

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Atlanta to Pay Family Of Brooks \$1 Million

By JENNIFER CALFAS

The Atlanta City Council approved a \$1 million settlement to the family of Rayshard Brooks, a 27-year-old Black man who was shot and killed by a police officer there in 2020.

The settlement, passed in a 15-0 vote Monday, addresses civil claims brought by Mr. Brooks's family. It comes several months after a special prosecutor declined to pursue criminal charges against the officer who shot him and a second officer at the scene.

The family filed a civil lawsuit in 2021 against the city of Atlanta and officers involved in the shooting, alleging they violated Mr. Brooks's constitutional rights. The lawsuit, filed in the U.S. District Court for the Northern District of Georgia, called the shooting "senseless and unjustified."

Before the City Council voted Monday, council member Dustin Hillis said Atlanta's city attorney determined the "potential financial exposure in defending plaintiff's claims is in excess of the settlement amount."

Lawyers representing Mr. Brooks's family said in a statement they were pleased to have reached a settlement but expressed disappointment that prosecutors didn't pursue criminal charges against the officers.

"Although the children of Mr. Brooks have lost their father, settling the case will undoubtedly assist them with future plans as they come of age," the lawyers said.

Mr. Brooks was killed in the weeks following the murder of George Floyd in Minneapolis, sparking a fresh wave of protests in Atlanta and adding a new rallying cry to nationwide demonstrations calling for an end to police brutality.

Atlanta police officers responded to a call on June 12, 2020, that a customer was asleep in a car at a Wendy's drive-through. Body-camera footage showed a cordial and calm conversation between the two officers and Mr. Brooks.

The interaction took a turn when officers Garrett Rolfe and Devin Brosnan tried to place Mr. Brooks under arrest. He took a Taser from one of the officers and, while running, fired it at Mr. Rolfe. Mr. Rolfe then shot Mr. Brooks. An autopsy found Mr. Brooks was shot twice in the back.

Prosecutors initially brought charges against Messrs. Rolfe and Brosnan. But Peter Skandalakis, a special prosecutor assigned to the case, filed to dismiss those charges in August. The officers "acted within the scope of their authority" and in line with the law, he said.

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THE MOST FABULOUS JEWELS IN THE WORLD

U.S. NEWS

Ethics Group Seeks Probes Over Trades

BY BRODY MULLINS
AND REBECCA BALLHAUS

A nonpartisan group that monitors government ethics filed a series of legal complaints alleging the federal government is failing to adequately enforce conflict-of-interest rules.

The Campaign Legal Center called on the executive-branch agency that oversees ethics rules to investigate what it called deficiencies in enforcement at several agencies. The group also requested that internal investigators at four federal agencies examine whether their ethics programs complied with federal rules.

The legal filings were prompted by a series of articles in *The Wall Street Journal* revealing that thousands of federal employees at 50 federal agencies held stock in companies that were regulated by the agencies where those employees worked.

The agencies "have repeatedly allowed senior officials to own and trade stock in companies that appear to create conflicts of interest with their official duties," the complaint said. "An investigation can determine whether the scope and severity of deficiencies in the ethics programs' guidance on financial conflicts of interest is greater than currently publicly known."

Separately, some lawmakers on Capitol Hill say that changes in the political landscape in Washington could

make it more likely that Congress takes up legislation next year to overhaul the government's rules regarding stock ownership by federal officials.

Rep. Kevin McCarthy of California, the Republican lawmaker who is the front-runner to serve as House speaker, is considering a sweeping ethics-reform package aimed at restoring public trust in the government, an aide told the *Journal*.

Under consideration is legislation to ban or restrict members of Congress and senior executive-branch employees from owning or trading stock, the aide said. Earlier this year, Mr. McCarthy said that if Republicans took control of the House, he would consider prohibiting lawmakers from holding or trading stocks. He didn't support any Democratic bills proposing such a ban.

The Campaign Legal Center filed complaints with the inspectors general for the Environmental Protection Agency, Defense Department, Federal Trade Commission and Health and Human Services Department, in addition to the Office of Government Ethics.

Among the examples the group cited from the *Journal's* reporting was an EPA official who reported owning oil and gas stocks with his husband; a defense official who traded stock in a Chinese company while the agency deliberated over whether to add the com-



CHARLES KRUPA/ASSOCIATED PRESS

Democratic Sen. Elizabeth Warren has introduced government reform measures. Rep. Kevin McCarthy, the front-runner to be House speaker, is considering an ethics-reform package.



SCOTT OLSON/GETTY IMAGES

pany to a blacklist; and an FTC official who traded stock in Facebook, now Meta Platforms Inc., while his office coordinated a probe involving the company.

"The public has a right to know that the officials tasked with protecting the security of our country are always acting in the public's interest, not in their own private financial interest," said the complaint filed with the Defense Department.

The EPA official said he and his husband didn't know about or direct trades in oil-and-gas companies, which were made by a financial adviser. The defense official said he wasn't involved in blacklist discussions at the time his trades were made. The FTC official said a financial adviser handled his trading.

Some agencies defended

their ethics programs. The Defense Department said it has "extensive guidance" on implementing ethics laws and regulations and said the Office of Government Ethics conducts detailed reviews each year of its ethics program.

An FTC spokesman said the agency refers possible ethics violations to the inspector general for investigation. The EPA has said officials are allowed to invest in energy companies so long as they aren't working on policies that could affect their investments. HHS didn't respond to questions about its ethics programs.

Efforts to pass a stock-trading ban briefly gained momentum this fall before stalling out.

Rep. Hakeem Jeffries (D., N.Y.), the top contender to suc-

ceed California Rep. Nancy Pelosi as the top Democrat in the House, in September said he supported efforts to restrict stock trading.

Some on Capitol Hill believe the Republican takeover of the House could breathe new life into those efforts, although they also will face steep odds in the Senate. Any effort aimed at strengthening executive-branch ethics rules could gain support among Republicans because President Biden oversees much of the executive branch. The *Journal* found that conflicts pervaded across three administrations, both Democrat and Republican.

Republican control of the House "creates an opportunity" for approving a stock ban, because the GOP's slim majority will necessitate bipartisan cooperation, said Nick Zeller, a spokesman for Rep. Jared Golden (D., Maine), an author of such a bill. In the Senate, Sen. Elizabeth Warren (D., Mass.) has introduced a set of government reform measures, including one that has won support from Republican Sen. Marsha Blackburn of Tennessee.

A White House official declined to say whether Mr. Biden would support restrictions on lawmakers' and executive-branch officials' stock investments.

—Joe Palazzolo and James V. Grimaldi contributed to this article.

High Court Allows Release of Trump Tax Records

BY JESS BRAVIN
AND RICHARD RUBIN

WASHINGTON—The Supreme Court on Tuesday said it wouldn't block a House committee from accessing Donald Trump's tax returns, handing an apparently final defeat to the former president in a long-running court fight.

The court denied Mr. Trump's request for a temporary order, known as a stay, that would have blocked the House Ways and Means Committee from obtaining the tax returns from the Internal Revenue Service. The unsigned order from the court had no dissents and, as is typical in emergency matters, provided no explanation of the court's reasoning.

The court's order could lead to Mr. Trump's tax returns and audit records being handed over to lawmakers in the coming weeks. A Treasury spokeswoman said the department would comply with the court ruling, but didn't say when the documents would be given to Congress.

It would take a separate committee action for anything to be disclosed to the public, and Ways and Means Democrats haven't said exactly what they plan to do with the documents in the waning days before they lose control of the House.

"Since the Magna Carta, the principle of oversight has been upheld, and today is no different," said Rep. Richard Neal (D., Mass.), the committee chairman. "This rises above politics, and the Committee will now conduct the oversight that we've sought for the last three and a half years."

Mr. Trump's returns could be handed over to a House panel in the coming weeks.

A representative for Mr. Trump didn't immediately respond to a request for comment. Mr. Trump's lawyers have said they expect his tax returns to be quickly made public if they are handed over to Congress. "We have alleged, plausibly, that the goal here is to immediately publicly expose and release President Trump's tax returns," Trump lawyer Cameron Norris said during an oral argument in March.

Tax returns are normally private, but a federal law empowers the House Ways and Means Committee chairman, currently Mr. Neal, to request any person's tax returns from the IRS. Mr. Neal requested Mr. Trump's returns in early 2019 after the Democrats took control of the House. But the Treasury Department under then-Secretary Steven Mnuchin refused to hand them over.

Invoking the statute, the committee sued in 2019 to force disclosure of Mr. Trump's tax returns. The Treasury Department dropped its objections to giving the documents to Congress, but Mr. Trump's lawyers have kept the litigation going.

House Democrats have said they need Mr. Trump's tax returns to see if the IRS has been properly auditing presidential returns and to assess whether additional legislation is needed.

Unlike recent presidents and candidates before and after him, Mr. Trump hasn't voluntarily disclosed any of his tax returns, citing a variety of reasons including how disclosure might affect ongoing audits.

Mr. Trump's lawyers challenged the House request in court, saying the committee wasn't trying to legislate, but rather had requested the tax returns for the improper purpose of exposing his private financial information.

The U.S. Court of Appeals for the D.C. Circuit sided with the House committee, saying in a 3-0 decision in August that the request for the tax returns was lawful and deferring to the legislature's broad authority to conduct investigations, gather information and consider possible new laws.

Court Hears DOJ Appeal on Special Master

A federal appeals court on Tuesday asked whether Donald Trump was improperly accorded special deference as a

By Jan Wolfe in Atlanta and Byron Tau in Washington

former president after the federal government's search of his Florida home in August.

A three-judge panel of the 11th Circuit U.S. Court of Appeals in Atlanta held its first hearing on a Justice Department appeal challenging the role of a court-appointed arbiter, known as a special master, in refereeing a dispute over how federal prosecutors can use documents seized in the search.

Two of the judges noted that few criminal defendants are granted the right to scrutinize a government search before charges are brought, suggesting that the arrangement approved by a lower court gave Mr. Trump special treatment. Neither lawyers for the Justice Department nor for Mr. Trump's legal team could identify an analogous case when questioned.

The three-member panel, drawn at random Tuesday morning from the appeals court bench, comprised Chief Judge William Pryor Jr., an appointee of President George W. Bush, and Judges Britt Grant and Andrew Brasher, who were appointed by Mr. Trump.



FBI agents removed more than two dozen boxes, including classified documents, from Mr. Trump's Mar-a-Lago resort in August.

"We have to be concerned about the precedent that we would create that would allow any target of a general criminal investigation to go into a district court and to have a district court entertain this kind of petition," Judge Pryor said in an exchange with a lawyer for Mr. Trump.

Mr. Trusty said that items such as golf shirts, pictures of the singer Celine Dion and other purely personal items were swept up as part of the search.

The legal fight was sparked by the Federal Bureau of Investigation's search of Mr. Trump's Florida home, Mar-a-Lago, on

Aug. 8. Agents removed more than two dozen boxes from the premises, including 11 sets of classified documents. Mr. Trump sued in a federal court in Florida, challenging aspects of the search and asking that a special master be named to review the evidence. U.S. District Judge Aileen Cannon appointed

a senior judge to that role.

During Tuesday's argument, Justice Department lawyer SOPAN JOSHI said Mr. Trump has failed to show the Mar-a-Lago search was unlawful, and that Judge Cannon's handling of the case was an "extraordinary judicial intrusion" into the executive branch's work.

Disney's CEOs Were At Odds

Continued from Page One

Mr. Chapek's short tenure as CEO, even after he left the company altogether at the end of last year, up until he returned in full fashion this week as CEO again. Over the past two years, he has made it known to friends and colleagues that he disapproved of changes Mr. Chapek was making, setting off a whisper campaign across Hollywood that never quite allowed Mr. Chapek to escape his predecessor's shadow.

Mr. Chapek's ouster Sunday

followed what some of his supporters said was a losing hand to begin with. Mr. Iger was widely seen as one of the entertainment industry's best executives of all time—so successful he has said he considered a run for president. After more than 25 years at Disney, Mr. Chapek took over as CEO days before the pandemic would detonate his bottom line, prompting the furloughs and layoffs of thousands of employees and shut down film and TV production desperately needed to keep Disney's streaming services growing.

Last week, Mr. Iger's career took a turn when he received a call from at least one intermediary to Disney's board asking if he would consider replacing Mr. Chapek, according to people familiar with the matter. Then, on Friday, board Chairman Susan Arnold called to offer him the job, confident he would accept, the people said.

After serving as head of Disney's parks and consumer products division, Mr. Chapek was named CEO of Disney in February 2020.

His first major rupture with Mr. Iger came just weeks later. Mr. Iger wanted to delay any Covid-related staff cuts until a spending bill, being debated in Congress and meant to blunt the economic impact of the pandemic, was signed into law. That way, laid-off Disney em-

ployees could take advantage of its protections, Mr. Iger argued, according to people familiar with the matter.

Mr. Chapek wanted to move more quickly with layoffs, these people said. At the time, many CEOs felt pressure to cut costs and preserve cash.

Mr. Iger overruled Mr. Chapek, these people said, and convinced the board that it was better to wait. President Donald Trump signed the bill into law in late March, and Disney began to furlough tens of thousands of workers in April.

In conversations at lunch, Mr. Iger would fixate on the topic of his successor.

Mr. Chapek was infuriated, some of these people said, and complained to deputies he was being undermined from the minute he was promoted.

Mr. Iger, who had said he would focus on creative work as executive chairman, was interfering in day-to-day matters that were supposed to be the CEO's domain, Mr. Chapek told his inner circle at the company, people familiar with the matter said.

Since leaving the company

altogether last year, Mr. Iger has been known to dominate lunch conversations around Los Angeles with talk of how he thinks Mr. Chapek has taken Disney in the wrong direction, according to several people who have dined with him. Some associates said Mr. Iger would fixate on the topic so much that it grew uncomfortable.

Mr. Iger felt Mr. Chapek had prioritized growth of the streaming business at the expense of other parts of Disney, like cable television and the theme parks. Mr. Chapek said in 2020 the number of subscribers was growing fast, and he dramatically boosted initial growth projections. Mr. Iger thought Mr. Chapek's projections went too far, according to people familiar with Mr. Iger's thinking.

Mr. Iger also thought that Mr. Chapek was too responsive to changes in Disney's share price, and Mr. Iger was alarmed by increases in prices at Disney parks that Mr. Chapek argued would boost revenue and limit overcrowding, these people said. Mr. Iger received calls from creative executives frustrated with Mr. Chapek, people familiar with the matter said.

"He's killing the soul of the company," Mr. Iger told more than one confidant.

The contrast in the two men's public personas came to a head in March, when Mr.

Chapek faced backlash from employees and fans for saying he felt it would be inappropriate for him to weigh in on Florida's Parental Rights in Education bill, which opponents call the "Don't Say Gay" law. When Mr. Chapek did speak out against the bill, he and Disney became targets of conservative politicians including Florida Gov. Ron DeSantis.

Mr. Iger, meanwhile, posted an unusually political message to his Twitter account, echoing support for President Biden's criticism of the bill.

"I'm with the President on this!" the message said. "If passed, this bill will put vulnerable, young LGBTQ people in jeopardy."

Over the spring, soon after the Florida controversy, some board members considered replacing him, and Mr. Iger was aware of the discussions, people familiar with the matter said. Ultimately, Ms. Arnold publicly supported Mr. Chapek in June, and the board soon after extended Mr. Chapek's contract.

For some of his colleagues inside Disney, Mr. Iger's life outside the studio gates was an extension of his final years inside them, when it seemed he simply didn't want to leave. Mr. Iger postponed his own retirement four times. For a while, he drove a car with a customized license-plate frame that asked: "Is there life after Disney?"

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WORLD NEWS

Kyiv Aims to Oust Russia From Peninsula

Troops push to open besieged Black Sea ports, expand gains in southern Ukraine

By JARED MALSIN
AND BOJAN PANCEVSKI

Ukraine's military stepped up efforts to reclaim parts of the country's south, attempting to strike Sevastopol on Tuesday and saying it was launching an operation to push Russian forces from a strategic peninsula on the Black Sea coast.

The operations come as Kyiv looks to open up its besieged ports and build on significant gains in the region.

Russian officials said Ukrainian forces launched a drone attack on the key port city of Sevastopol in occupied Crimea, which hosts the headquarters of Russia's Black Sea Fleet. Five drones were shot down, the city's governor, Mikhail Razvozhayev, said on his Telegram channel Tuesday. The first two drones tried to attack the nearby Balaclava thermal power plant, but no damage was inflicted on infrastructure, he said.

Ukrainian forces also have begun an assault on the Kinburn Spit, a strip of land jutting



A resident returns to his damaged Shyroke village home in the Mykolaiv region of Ukraine.

into the sea south of Mykolaiv that has been occupied for months by Russian forces cutting off access to the port city.

"For now, this military operation is in silent mode," said a spokeswoman for Ukraine's Southern Operational Command on Ukrainian TV late Monday. She didn't say when the operation started.

The larger Kinburn Peninsula is a strategic prize for

Ukraine. The sliver of land lies at a key maritime choke point leading to the port cities of Mykolaiv and Kherson, at the mouth of two large rivers, the Southern Buh and the Dnipro.

Russian forces have used the spit to launch missile, drone and artillery strikes that have hammered Mykolaiv, which remains in Ukrainian control but has suffered under heavy Russian fire. Recapturing the Kinburn

port infrastructure and civilian homes. The governor of the Mykolaiv region, Vitaliy Kim, said in a social-media post Tuesday that the capture of three more settlements on the peninsula would put the entire area under Ukrainian control.

The new operation comes as Ukrainian forces attempt to expand on a sweeping offensive that has recaptured vast swaths of land previously occupied by Russia in southern Ukraine. Ukrainian forces this month took back the city of Kherson, the only regional

The Kinburn Peninsula lies at a crucial Black Sea pinch point.



Sources: Institute for the Study of War; AEI's Critical Threats Project

capital claimed by the Kremlin since its full-scale invasion of Ukraine began in February.

Russian forces launched heavy shelling of Kherson on Monday, a senior Ukrainian official said, attacking at a moment when Ukrainian authorities were working to restore normal life to the city. Mykhailo Podolyak, an adviser to Ukrainian President Volodymyr Zelensky, called the shelling "systematic."

"There is no military logic: they just want to take revenge on the locals. This is a huge war crime live," he said in a tweet.

Senators Urge White House to Give Ukraine Armed Drones

By NANCY A. YOUSSEF
AND GORDON LUBOLD

WASHINGTON—A bipartisan group of U.S. senators urged the Biden administration Tuesday to reconsider its decision not to give Ukraine advanced drones, saying the technology could help Kyiv to hold its territory and gain battlefield momentum.

In a letter to Defense Secretary Lloyd Austin, 16 senators pressed the administration to give Ukraine MQ-1C armed drones, or Gray Eagles, which can fly for more than 24 hours.

"The long-term upside of

providing Ukraine with the MQ-1C is significant and has the potential to drive the strategic course of the war in Ukraine's favor," they wrote.

Among the signatories are Sen. Joni Ernst (R., Iowa), Sen. James Inhofe (R., Okla.), who is the outgoing ranking Republican on the Senate Armed Services Committee, Sen. Tim Kaine (D., Va.), Sen. Joe Manchin (D., W.Va.) and Sen. Mark Kelly (D., Ariz.).

In the past few weeks of the nearly nine-month-long war, Iran has provided Russia with drones that have been pummeling Ukrainian population centers

and civilian infrastructure, and which legislators said gave Russia a battlefield advantage. The Ukrainians should have a U.S.-supplied arsenal to counter what Russia has received, they said.

"This system's operational attributes—availability, lethality, survivability, and exportability—complement existing weapon systems used by the Ukrainians and will increase the lethality of the Ukrainian military," the senators wrote.

Training Ukrainians on the MQ-1C, which are made by General Atomics, would take 27 days, they said. And if Ukraine had access to its own drones it

"could find and attack Russian warships in the Black Sea, breaking its coercive blockade and alleviate dual pressures on the Ukrainian economy and global food prices."

The Pentagon declined Ukraine's request for the drones this month. U.S. officials, at times, have worried that the technology on the drone could be stolen on the battlefield.

The Pentagon is assessing what the effect the provision of the drones would have on the U.S. military, said Pentagon spokeswoman Sabrina Singh. "We are always assessing and evaluating what we

can send to Ukraine," she said.

U.S. officials said the reluctance to provide the drones stemmed from technical issues, not fears of escalation. A spokesman for General Atomics said the company is committed to supporting Ukraine and declined to comment on the letter.

The letter was the latest example of a monthslong tension between Capitol Hill and the White House about what kind of weapons to provide Ukraine. Members of Congress from both parties have pushed the administration to give Kyiv armed drones. In a September letter, 17 lawmakers urged the

administration to speed up its review process about providing Gray Eagles, leading to the decision this month.

In the latest letter, the legislators asked Mr. Austin to explain by Nov. 30 the Pentagon's reasons for concluding that the U.S. shouldn't provide Ukraine MQ-1C drones.

"[Russian President] Vladimir Putin's intent to conquer all of Ukraine remains unchanged. The timely provision of effective lethal aid to stabilize Ukrainian defenses and enable long-term resistance against future Russian aggression remains urgent," they wrote.



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WORLD NEWS

EU Unveils Proposal To Cap Natural-Gas Prices

By KIM MACKRAEL

BRUSSELS—The European Union set out the details of a long-debated proposal to cap natural-gas prices on the bloc's main trading hub, part of an effort to shield consumers from the effects of higher energy costs linked to Russia's invasion of Ukraine.

The European Commission, the bloc's executive arm, said Tuesday that its proposal was designed to deal with exceptional circumstances where the benchmark price for natural gas in Europe exceeds 275 euros, equivalent to about \$282, per megawatt-hour for two weeks. Prices would also need to be above reference levels by a set margin for 10 consecutive days within those two weeks.

Both conditions would need to be met to trigger the cap, officials said.

"This is not a silver bullet that will bring gas prices down," EU Energy Commissioner Kadri Simson said. "But it provides a powerful tool that we can use when we need it."

The proposal would need the approval of member countries to take effect. European energy ministers are set to discuss the measure and other proposals for dealing with the bloc's energy crisis during a meeting on Thursday.

Russia's squeeze on gas supplies to the continent, which began last year and intensified after the start of the war in Ukraine, has contributed to a supply crunch across Europe that has prompted worries about possible shortages and contributed to high and volatile prices.

On Tuesday, Russian natural-gas company Gazprom PJSC threatened to curtail supplies further by restricting the flow of gas through Ukraine.

Gas prices in Europe have fallen sharply from their summer peaks because of unseasonably warm fall weather, easing concerns about possible rationing and soaring energy bills this winter. But they remain well above their historic averages, putting pressure on households and businesses.

European governments have been divided in recent months over whether to introduce a cap on wholesale gas prices. More than a dozen countries, including France and Italy, argued that a cap was necessary to shield consumers and businesses from high prices, while Germany and the Netherlands expressed opposition to the idea, saying it risked jeopardizing supplies.

Commission officials have

The measure 'provides a powerful tool that we can use when we need it.'

also expressed concern about the idea in recent months. They warned in discussion papers that capping natural-gas prices risked diverting supplies away from the EU, potentially fueling shortages, and making it more difficult to distribute gas to where it is needed within the bloc.

The cap could be suspended if officials become concerned about supplies or have another reason to believe that it has become too risky.

Based on the thresholds the commission put forward, the proposed cap wouldn't have had an impact on the high gas prices that Europe experienced during the late summer, analysts said. Although European natural-gas prices rose beyond €275 per megawatt-hour in August, they didn't remain above that level for two weeks.

Europex, the Association of European Energy Exchanges, said in an open letter before the full proposal was released that it was deeply concerned about the development of the market-correction mechanism and its potential effects on financial stability and supply.

Screws to Tighten on Russian Oil

By LAURENCE NORMAN AND ANDREW DUEHREN

The U.S. and its allies are seeking to agree as soon as Wednesday on a level for a price cap on Russian oil, with officials discussing setting it at about \$60 a barrel as the group rushes to complete the plan, according to people familiar with the talks.

The price cap, which the people said could still be set as high as \$70, is at the center of the West's efforts to sanction Russia for its invasion of Ukraine. The Group of Seven advanced democracies and Australia plan to begin enforcing the price cap on Dec. 5.

Ambassadors from the 27 European Union member states are set to meet Wednesday, when they will try to settle on a price. The bloc needs a unanimous agreement on the price for it to take effect, and diplomats warned that may prove difficult to achieve quickly. The G-7 is aiming to approve the cap soon after the EU.

The aim of the plan, which was pushed hard by Treasury Secretary Janet Yellen, is to crimp Russian energy exports revenue, while avoiding a surge in oil prices.

Under the program, the G-7, EU and Australia would ban the provision of maritime services for shipments of Russian oil unless the oil is sold below the price cap. The Western countries are hoping to take advantage of their control of much of the world's maritime insurance, financing and shipping services to dictate the terms of Russia's seaborne oil sales.

After hammering out the price-cap program for months, selecting the actual price level is the last major decision the group of allies must make to complete the plan. Talks on the cap remain contentious, as several nations, including Poland and Lithuania, call for a far lower cap set around the price of production. Polish officials have said the price of production is about \$20 a barrel.

"If you are introducing the price cap at \$60, \$65, that sounds reasonable from the



The G-7 and Australia plan to begin enforcing a price cap on Russian oil on Dec. 5. The Gazpromneft MNPZ Moscow petroleum refinery.

Gazprom Threatens Gas Flow to Europe

Russian natural-gas giant Gazprom PJSC threatened to further throttle exports to Europe via Ukraine beginning next week, putting in question one of the last remaining routes for Russian gas to reach Europe.

The pipeline via Ukraine is one of two functioning gas-pipeline links between Russia and Europe, along with a route via Turkey. Moscow this year has cut off most of its once-plentiful gas exports to Europe in what Western governments say is retaliation for their support for Ukraine in the war.

Russia shut off the largest

route, the Nord Stream pipeline to Germany, in September, blaming technical issues caused by Western sanctions against Moscow.

As a result, Russia's leverage over Europe's energy market has shrunk drastically. Moscow's share of Europe's gas imports has fallen from around 40% before the war to under 10%. Still, with cold weather about to blanket the continent, any disruption could affect Europe's supply of the fuel and push up gas prices, which have eased in recent weeks.

On Tuesday, Gazprom said that Ukraine was withholding Russian gas destined for neighboring Moldova. The Kremlin-controlled exporter said it would curb some of the flows

to Ukraine from Monday if the issue wasn't resolved.

The volume of gas supplied by Gazprom "for transit to Moldova through the territory of Ukraine exceeds the physical volume transmitted at the border of Ukraine with Moldova," the company said.

Gazprom didn't detail how much gas it could cut off.

Ukrainian state energy company NJSC Naftogaz dismissed Gazprom's claim, saying that all volumes to Moldova were being transferred in full.

European benchmark gas prices rose around 4% following the announcement but gave up most of those gains to trade up around 1.5%. Still, prices are up about 180% from a year ago.

—Georgi Kantchev

point of view of our allies. But from our point of view, as I said before, we would like to see the possible minimum, which is the marginal production cost," said Oleg Ustenko, an economic ad-

viser to Ukrainian President Volodymyr Zelensky.

U.S. officials want to set the price cap high enough to entice Russia to keep selling its oil to global markets, even at

the capped price. Biden administration officials have

looked at Russia's prewar oil prices, which averaged around \$65 a barrel, as one gauge of where the cap should be set.

OPEC Divided on Production Boost

By BENOIT FAUCON AND SUMMER SAID

The specter of an oil-supply shock this winter has created a dilemma for OPEC and its wider circle of crude producers about whether to reverse course on the production cuts it set last month.

Beginning in early December, the oil market will face a series of looming problems that some members of the Organization of the Petroleum Exporting Countries see as a potential opportunity to pump more oil and others view as a reason to stay the course with their production cuts.

In the past two weeks, OPEC members began informally discussing the potential need for more oil this winter, OPEC delegates said. The initial trigger was data showing rising oil demand in the coming months, a normal seasonal adjustment caused by European and North American burning of fuel oil, delegates said.

There were other data points, delegates said. On Dec. 5, one day after OPEC meets with other producers including Russia in Vienna at a gathering known as OPEC+, the European Union is set to impose an embargo on Russian oil.

On the same day, the Group of Seven leading nations is set to impose a price cap on Moscow crude. Russian officials have said they won't sell oil to countries that impose a price cap, raising the prospect of a supply gap if Russian oil doesn't find buyers.

Further, there has been disappointing news from U.S. shale country, where companies didn't drill more to take advantage of high prices this year. And finally, big OPEC producers such as the United Arab Emirates and Iraq have long been chafing under production limits they feel are too low, the delegates said.

With all of these energy-market headwinds emerging, some OPEC+ delegates have begun discussing—including OPEC's biggest member, Saudi Arabia—whether to reconsider



Saudi Energy Minister Prince Abdulaziz bin Salman

the production cut engineered last month of 2 million barrels a day, the delegates said.

The production cut was controversial, with the White House contending that it aligned OPEC+ with Russia's war effort in Ukraine. The Saudis have said the cut was economically justified, and a growing group of oil-market analysts agree with their assessment after oil prices didn't shoot above \$100 a barrel.

OPEC+ could decide to do nothing at its Dec. 4 meeting or even cut more, as Saudi Energy Minister Prince Abdulaziz bin Salman suggested Monday. Prince Abdulaziz denied there were discussions of a production increase of 500,000 barrels a day, which The Wall Street Journal had reported was the higher end of what delegates were talking about.

OPEC+ delegates said Prince Abdulaziz's denial of talks reflected an unease with public discussion of the group's decision-making before an agreement with Russia had been struck.

As the two biggest producers in OPEC+, the Saudis and Russians generally rule the group by mutual agreement.

The precipitous drop in oil prices that followed the Journal's story likely reinforced the view that even a partial reversal of the production cuts would be a bad idea, said Helima Croft, the commodities chief strategist at Canadian broker RBC, in a note to clients.

Advertisement for HUBLOT featuring Kylian Mbappé. The ad includes the HUBLOT logo, the name 'KYLIAN MBAPPÉ', and text identifying HUBLOT as the 'OFFICIAL TIMEKEEPER' for the 'BIG BANG e FIFA WORLD CUP QATAR 2022™'. It also features the FIFA World Cup logo and mentions 'Official Licensed Product Logos and the Emirates, Morocco, Poland and Türkiye of the FIFA World Cup™ tournaments are copyrights and trademarks of FIFA.'

WORLD NEWS

CIA Seeks to Recruit Agents From Russia

Espionage chief targets oligarchs, executives and military officials who oppose the war

By WARREN P. STROBEL

WASHINGTON—The CIA's espionage chief used his first in-person public appearance since taking the post last year to make a pitch to potential agents.

David Marlowe, the CIA's deputy director of operations, told an academic audience that the invasion of Ukraine has been a massive failure for Russian President Vladimir Putin and opens opportunities for Western intelligence agencies among disaffected Russians.

"Putin was at his best moment the day before he invaded," when he still had the ability to coerce Ukraine, influence NATO, and demonstrate

that Russia is a powerful nation, Mr. Marlowe said at George Mason University's Hayden Center. "He squandered every single bit of that."

"We're looking around the world for Russians who are as disgusted with that as we are," he said. "Because we're open for business."

Mr. Marlowe's rare public remarks took place last week before a select audience of university faculty and staff. The Hayden Center on Monday released video of the event, which paired Mr. Marlowe with CIA Deputy Director for Analysis Linda Weissgold, whose division is responsible for producing finished intelligence reports and briefing President Biden and other top officials.

Mr. Marlowe, appointed to his post in June 2021 by CIA Director William Burns, is an Arabic speaker who had

served multiple tours as chief of agency stations overseas including in the Middle East, as well as in the Near East Mission Center at the agency's Langley, Va., headquarters.

His remarks echo recent assertions by former senior CIA officers that many Russians' disaffection with the February invasion of Ukraine provides fertile ground to recruit agents among disgruntled military officers, oligarchs who have seen their fortunes thinned by sanctions, and businesspeople and others who have fled the country.

How much of that is CIA bravado is impossible to tell. But an intensified spy war clearly has been under way for months in and around Europe, parallel with the military campaigns in Ukraine.

European governments have expelled hundreds of Russian diplomats suspected



David Marlowe, the CIA's deputy director of operations, said the Ukraine invasion has been a failure.

of being spies and have arrested at least two "illegals"—agents for Russia posing as someone else, unconnected to the Moscow government. In Moscow and other Russian cities, the Kremlin has ordered cuts to the U.S. diplomatic presence, significantly limiting opportunities for espionage.

The head of MI6, Britain's foreign-intelligence service,

said this summer that Western European governments' expulsion of hundreds of suspected Russian spies had severely crimped the Kremlin's intelligence operations.

"At last count, north of 400 Russian intelligence officers operating under diplomatic cover have been expelled," MI6 chief Richard Moore said at the Aspen Security Forum.

"We reckon in the U.K. that's probably reduced their ability to do their business, to spy for Russia, in half."

Officials have said far less about their intelligence operations inside Ukraine, although current and former Western officials have said CIA and MI6 personnel are on the ground, conducting training and other activities.

OECD Calls on ECB to Keep Lifting Rates in Inflation Fight

By PAUL HANNON

The European Central Bank will have to raise its key interest rate much further if it is to bring down persistently high inflation, the Organization for Economic Cooperation and Development warned.

Inflation rates have surged since Russia's invasion of Ukraine pushed energy and food prices sharply higher. While there have been some recent signs that these rates are at or close to their peaks, the Paris-based research group said inflation is unlikely to fall back quickly to the 2% level targeted by many central banks.

"Real wages are falling in many countries, slashing purchasing power," said Alvaro Pereira, the OECD's acting chief economist, said Tuesday. "If inflation is not contained, these problems will only be-

come worse. Thus, fighting inflation has to be our top priority right now."

In its latest forecasts for the global economy, the OECD said it expects inflation to remain especially stubborn in Europe following Moscow's decision to throttle natural-gas supplies to undermine Western support for Kyiv.

"Inflation will remain high, and the ECB will have to act more forcefully," said Mr. Pereira.

The OECD said the eurozone's central bank should raise its key interest rate to between 4% and 4.25% from 1.5% by the middle of next year, a much higher peak than that widely anticipated by investors. In its latest report on the global economic outlook, BNP Paribas said it expects the ECB's deposit rate to peak at 3%.

The ECB has been slower to

raise interest rates than the Federal Reserve, whose rate stands at between 3.75% and 4%. Because of higher energy prices, inflation in the eurozone has overtaken that in the U.S. and the bloc's common

The research group urged an increase to between 4% and 4.25% from 1.5% now.

currency has lost ground against the dollar.

The research group said it now expects the eurozone's inflation rate to average 6.8% in 2023, up from the 6.2% it projected in September. By contrast, it expects inflation in the U.S. to average 3.5% in

2023, little changed from its previous forecast, and said the Fed should raise its key rate to 5.25%, in line with investor expectations.

Mr. Pereira said Europe would need higher interest rates to support the euro's exchange rate against the dollar and prevent a larger rise in prices of imported goods and services because of the currency's weakness.

The ECB's key rate last stood at 4.25% in early October 2008, while the Fed last set its key rate at 5.25% in 2006.

The OECD estimates that in the three months through September, real wages were more than 2% lower than a year earlier in the U.S., the U.K. and Italy, and more than 4% lower in Germany, as wage gains have failed to keep up with rising prices.

Despite forecasting signifi-

cant further rate rises by the world's leading central banks, the OECD said the very large savings accumulated by households during the pandemic and continued government support to households and businesses to help cover soaring energy bills would ensure the global economy doesn't slide into recession next year. As in September, the research group expects global output to rise 2.2% in 2023, followed by a 2.7% expansion in 2024.

However, the OECD expects the German and British economies to contract next year, while it forecasts growth of 0.5% in the U.S. By contrast, it expects China's economy to accelerate after a weak 2022, although that will depend on the easing of Covid-19 restrictions there.

"If strict lockdowns were to continue and affect a big

chunk of the Chinese economy, the risk is they'll grow even less," Mr. Pereira said.

Europe's economic outlook for next year is also highly uncertain, the OECD said. While mild October weather and high levels of gas storage mean it is likely Europe will avoid energy rationing, it faces another difficult battle to make up for lost Russian gas supplies.

"We are more concerned about winter 23/24 than winter right now," said Mr. Pereira. "The main message is that the energy crisis is here to stay."

One reason for that concern is China's rebound. While the world's second-largest economy has grown slowly in 2022, its demand for liquefied natural gas has been low, allowing Europe to build up its stocks. European buyers might face more competition next year.

Shortages Hamper War Effort

Continued from Page One

of other eventualities, including to deter NATO forces.

Russia continues its occasional barrages of missiles to attack ground targets in Ukraine—now focused on energy and heating infrastructure aimed at sapping the morale of Ukrainian citizens—as happened on Nov. 15 when almost 100 missiles were fired, the Ukrainian government said.

But the rate at which these missiles are used has dropped significantly from an average of two dozen daily launches in the first months of the war. Yuriy Ihnat, spokesman for Ukraine's air force command, said last week just 15 Kalibr cruise missiles were launched in October.

One wild card is the significance of Russian imports of weaponry from Iran. The fact that Moscow, one of the world's largest producers of military equipment, has been forced to turn to outside suppliers is another indication that the Russian military-industrial base is struggling to resupply the country's forces. North Korea has also begun shipping artillery shells to Russia, the U.S. said.

Iran's Shahed-136 suicide drones, which began appearing on the battlefield in mid-September, have had a significant impact on the campaign so far. While a large proportion of these cheap weapons is shot

down, Ukraine often must use expensive and scarce air-defense missiles to do so. Ukrainian officials also said Tehran has agreed to supply two types of ballistic missiles to Moscow.

In what analysts and officials said is another possible indication of shortages, Russian missiles are increasingly used for purposes for which they aren't designed. Antiship missiles, built to hit large metal objects, are being used to attack land targets, as are S-300 air-defense missiles, one weapon Ukrainian officials said remains in plentiful supply for Moscow's forces. Both are inaccurate in many ground-attack roles and have caused significant civilian casualties.

Analysts from the Royal United Services Institute, a London defense-and-security think tank, suggest—using Ukrainian estimates—that Russia might have used only 10% of its inventories of S-300s. But they said it has probably expended half of its stock of Iskander ballistic missiles, estimated at 900 before the war, and that its remaining stores of Kalibr cruise missiles are running very low.

Russia has also used vast amounts of cheap low-precision ammunition, firing many thousands of artillery shells a day over months. The rate of fire has dropped significantly, analysts said, possibly suggesting that even these munitions might need to be rationed—though some of the drop might also be explained by a shift in the nature of the battle.

Losses of soldiers on both sides have been heavy. Gen. Mark Milley, chairman of the U.S. Joint Chiefs, estimated more than 100,000 Russian soldiers have been killed and

wounded—probably about the same number of Ukrainian troops. Many Russian casualties will likely include more-experienced troops, who are being replaced by less-qualified reservists.

Ukraine has claimed it has destroyed more than 2,800 Russian tanks and more than 5,700 armored personnel vehicles. Losses verified through photographic evidence by the Oryx website, which likely significantly underestimates actual losses, confirms more than 1,500 tanks destroyed, captured or abandoned and more than 2,700 armored vehicles of various types. Oryx, an open-source intelligence tracker, has also identified 49 Russian attack helicopters destroyed or damaged.

Confirmed Ukrainian losses have been much smaller—370 tanks and fewer than 800 armored vehicles, according to Oryx—but its military and its stockpiles were much smaller than Russia's to start with. Following the battlefield setbacks, President Vladimir Putin of Russia has ordered Russian industry to ramp up military production. In October, he created a government coordination council to help speed up the production of these supplies, saying Russia needed to more rapidly resolve issues associated with providing support for the military operation and to counter Western sanctions.

However, the Russian economy is contracting and its workforce is shrinking. Data from Russia's Ministry of Economic Development showed the economy contracted 5% year on year in September. The latest forecasts from Russia's central bank predicted the country is set for the deepest recession of any large economy this year and a drop in gross domestic product of 3% to 3.5%.

Mr. Putin's call-up—launched Sept. 21—of 300,000 reservists is beginning to have a noticeable effect on the labor market.

"Mobilization affects hundreds of thousands of economically active Russians and cannot but affect the economy," said Alexei Klimovskii, an economics researcher and analyst and a member of National Expert, an association of experts in Moscow. "Of course, this influence is negative because economic chains are collapsing and valuable specialists in various industries are leaving."



Retreating Russian forces left behind used artillery shells in Kherson.

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WORLD WATCH

JAPAN Domestic Covid-19 Treatment Approved

Japan approved an antiviral pill from Shionogi & Co. to treat Covid-19 after the company provided new data to show the drug's efficacy.

Osaka-based Shionogi filed in February for emergency approval for the drug, known as Xocova, in Japan.

Shionogi's recent data showed that those who were given the drug once a day for five days recovered from symptoms 24 hours faster than those who received a placebo.

Shionogi has said it is in talks with the FDA and is carrying out global clinical trials.

—Megumi Fujikawa



HONORING THE DEAD: Nepalese devotees sowed seven kinds of seeds with the belief that departed souls get salvation, during a festival Tuesday in Kathmandu, Nepal.

BRAZIL Bolsonaro Challenges Election Defeat

More than three weeks after losing a reelection bid, President Jair Bolsonaro on Tuesday blamed a software bug and de-

manded the electoral authority annul votes cast on most of Brazil's nation's electronic voting machines, though independent experts say the bug doesn't affect the reliability of results.

Such an action would leave Bolsonaro with 51% of the remaining valid votes—and a re-

election victory, Marcelo de Bessa, the lawyer who filed the request on behalf of the president and his Liberal Party, said.

The electoral authority has already declared victory for Bolsonaro's nemesis, leftist former President Luiz Inácio Lula da Silva, and even many of the

president's allies have accepted the results. Protesters across the country have refused to do the same, particularly with Bolsonaro declining to concede.

Liberal Party leader Valdemar Costa and an auditor hired by the party said their evaluation found all machines dating from before

2020 lacked individual identification numbers in internal logs. Neither explained how that might have affected election results, but said they were asking the electoral authority to invalidate all votes cast on those machines.

—Associated Press

TURKEY Ankara Hints of New Offensive in Syria

Turkey's president again hinted at a possible new ground offensive in Syria against Kurdish militants Tuesday, as Syrian forces denounced new airstrikes and Russia urged restraint and called on Ankara to avoid an escalation.

Russia's presidential envoy in Syria, Alexander Lavrentyev, said Turkey should "show a certain restraint" to prevent an escalation in Syria, where tensions heightened over the weekend after Turkish airstrikes killed and wounded Syrian soldiers.

Kurdish-led Syrian Democratic Forces later said fresh Turkish airstrikes Tuesday struck a base that the group shares with the U.S.-led coalition against Islamic State. Two SDF fighters were killed, the group said.

Turkish President Recep Tayyip Erdogan has said Turkey's actions wouldn't be limited to aerial strikes, suggesting a possible new incursion.

—Associated Press

FROM PAGE ONE

FTX Assets Said to Be Missing

Continued from Page One respond to a request to comment.

The new management is only beginning to take stock of how much FTX lost under Mr. Bankman-Fried on risky trading bets, and it has assembled a team of investigators to lead a global hunt for money that left FTX before it failed.

Customers' funds on the exchange are frozen, and they are losing hope they will ever get much back. The size of the gap between FTX's obligations to its customers and available assets it could use to help pay them still isn't known, though Mr. Bromley said its individual and institutional customers number in the millions.

The firm's management has said it might need until January to compile a complete balance sheet detailing the company's total assets and liabilities, but some business divisions appear to be solvent.

The firm has located about \$1.4 billion in cash that it said

belongs to the business, more than double the figure given in a report to the court last week. Salvageable units could be sold out of bankruptcy.

FTX, a target of cyberattacks that began when it filed bankruptcy and continue, has also instituted new internal controls to try to protect the company from future hacking, Mr. Bromley said.

FTX remains in "constant communication" with the U.S. Justice Department, and the cybercrimes unit of the U.S. attorney's office in Manhattan has also opened an investigation, Mr. Bromley said in court. The U.S. attorney's office in Manhattan didn't respond to a request to comment.

Prosecutors in Manhattan and the U.S. Securities and Exchange Commission are examining the firm's collapse, which unleashed a new wave of financial stress in the cryptocurrency industry.

FTX, now controlled by a new chief executive and his appointed directors after Mr. Bankman-Fried stepped down, faces the daunting task of using bankruptcy laws to secure customer funds and other assets. Some FTX assets are outside the U.S., including in the Bahamas, where FTX's inner circle ran its operation.

FTX's managers have said that it will need months to sort through claims from cus-



FTX co-founder Sam Bankman-Fried stepped down as CEO.

tomers and the bad bets at its affiliated trading firm Alameda Research that tipped FTX into bankruptcy.

The exchange's managers have hired investigators formerly employed by the SEC and the Justice Department specializing in cybersecurity to track assets belonging to FTX that might have been taken without authorization.

FTX's lawyers also presented on Tuesday their most searing allegations yet against the platform's past leaders, especially Mr. Bankman-Fried, and their lack of professionalism in managing billions of dollars in customers' cryptocurrency assets. "What we have here is a worldwide, international organization, but

and other large corporate failures, will have an array of legal tools available in chapter 11 to investigate, and potentially claw back, transfers of money or assets made to insiders or other creditors leading up to the firm's collapse.

That could include customers who recently withdrew funds from the firm, or Mr. Bankman-Fried, who cashed out \$300 million when FTX raised outside investment last year, the Journal has reported.

Some FTX assets are tied up in the Bahamas, where the firm relocated last year as the country sought to become a destination for digital currency firms worldwide. Financial authorities in the Bahamas seized the digital assets of FTX's local operations this month, which its managers said was done through unauthorized access to its corporate network.

The Securities Commission of the Bahamas, the lead local authority investigating FTX's collapse, has confirmed the asset transfer, but said the coins were moved to a government-controlled wallet "for safekeeping" and in accordance with local laws.

Court-appointed liquidators in the Bahamas have said the local subsidiary controls private keys needed to transfer crypto in and out of the entire FTX complex, once estimated to hold around \$16 billion in

assets. Lawyers representing the liquidators said in court on Tuesday that they didn't necessarily agree with Mr. Bromley's characterization of which FTX entity had control over some of its customers' funds.

"We have some disagreements which we'll work out over time," said Christopher Shore, U.S. counsel for the Bahamian liquidators.

Court papers filed in Delaware have indicated a culture of scant record-keeping at FTX and disagreements between its U.S. managers and the Bahamian liquidators over who should control the firm's assets and distributions to creditors.

Customers of crypto exchanges lack the safety nets such as deposit insurance that kick in when regulated banks and brokerages go under.

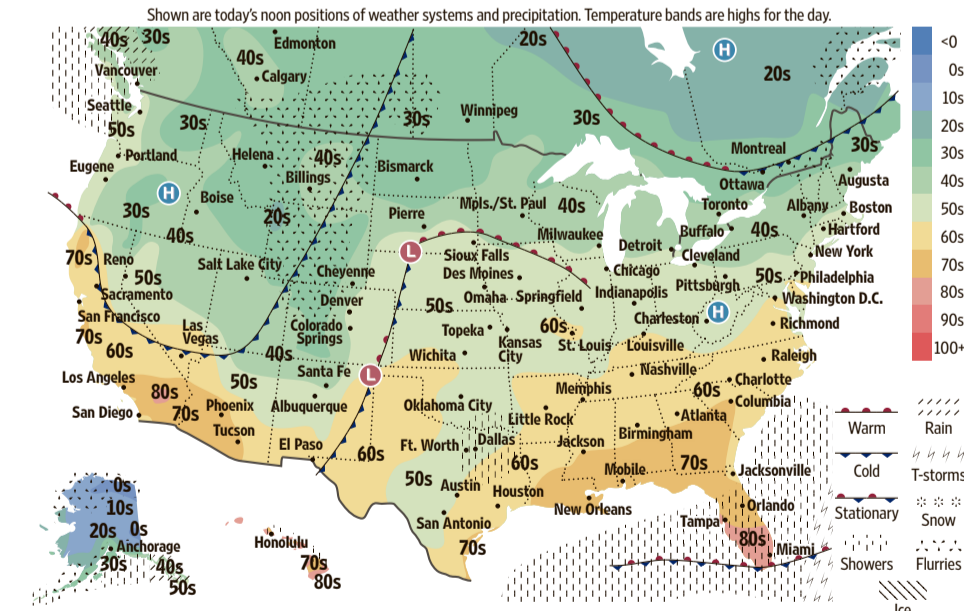
Contagion effects from FTX's collapse continue to ripple out. Crypto lender BlockFi, with which FTX is financially entangled, is exploring a possible bankruptcy filing, the Journal reported this month. Another lender, Genesis Global Trading, is scouring for a rescue after a rush of withdrawals.

Watch a Video



Scan this code for a video on what's revealed in FTX's bankruptcy filing.

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U.S. Forecasts

Table with columns for City, Today, and Tomorrow, showing weather conditions and temperatures for various U.S. cities.

International

Table with columns for City, Today, and Tomorrow, showing weather conditions and temperatures for various international cities.

THANKSGIVING SPREAD | By Mike Shenk

A crossword puzzle grid with clues for Thanksgiving-themed words.

The WSJ Daily Crossword | Edited by Mike Shenk

A crossword puzzle grid with clues for various words.

63 Hot

64 "Clash by Night" playwright

65 Fishing spot

Down

1 One problem after another?

2 Bounced sound

3 Prurient look

4 Seaquake byproduct

5 1854 book subtitled "Life in the Woods"

6 "Watch it!"

7 Important times

8 Sherbet choice

9 Ibsen play in verse

10 Cocktail made with cognac and crème de menthe

11 Particular places

12 Dakota du Nord, par exemple

13 Turn down

18 Board

24 Ribbon at the fair, say

25 Breezy farewell

26 R&B's _____ Brothers

27 Sentence units

28 Analyze sentence units

29 E.M. Forster's "____ With a View"

30 Sip slowly

31 Rome splitter

32 Hissy fits

37 How a pendulum swings

40 By the book subtitled "Life in the Woods"

42 Cropped up

43 Vail visit, e.g.

45 Timberwolves center Gobert

46 Modifies

49 Emulates Eminem

50 Foil's kin

51 X-Ray _____ (novelty catalog offering)

52 Laundry unit

53 Lake that feeds Niagara Falls

55 Upscale hotel chain

56 Jambalaya base

57 Feature of an Astros cap

59 One with a J.D.



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

WORLD NEWS

Iran Increases Output of Enriched Uranium

By LAURENCE NORMAN

Iranian officials said Tuesday that the country has started producing near-weapons-grade enriched uranium at a second nuclear facility in response to Tehran being formally rebuked last week for failing to cooperate with the United Nations' atomic-energy agency.

Iran has already produced enough 60%-enriched uranium at its main Natanz nuclear facility to provide fuel for at least one nuclear weapon. Tuesday's claim, reported by Iranian state media and con-

firmed by the International Atomic Energy Agency, means Iran will now also produce highly enriched uranium at its heavily fortified, underground Fordow nuclear site.

The agency said Iran had also informed them of a potentially huge new expansion of its enriched uranium production, which will require inspectors to increase its monitoring of Iran's facilities.

Iran had threatened to take action in response to the IAEA board's backing for a U.S.- and European-drafted resolution rebuking Tehran for not cooperating with an agency investi-

gation into undeclared nuclear material found in Iran. It has taken similar steps to ramp up its nuclear program or reduce IAEA oversight of its activities following previous IAEA board resolutions.

Iran has been expanding its nuclear program since 2019, a year after the Trump administration exited the 2015 nuclear deal, which had lifted most international sanctions on Tehran in exchange for strict but temporary restrictions on its nuclear activities.

Efforts to revive the pact are currently stalled with little prospect of new talks.

Since April 2021, Iran has produced 62.3 kilograms of uranium enriched at 60% purity, with the country producing almost 7 kg of the material in the three months to Oct. 22, the IAEA recently reported.

Western officials estimate it would take Iran just a few weeks to convert that into enough 90%-enriched weapons-grade material for at least one nuclear weapon. Iran is also rapidly accumulating 5% and 20%-enriched uranium, which can quite quickly be converted into highly enriched uranium.

Under the nuclear deal, Iran wasn't supposed to produce

any enriched uranium at Fordow, which is buried deep within a mountain and considered impregnable to most conventional weapons. However, it started producing low-enriched uranium there in November 2019.

Over the past year, Iran has also installed two cascades of more advanced centrifuges at Fordow, which can produce enriched uranium far more quickly than the first-generation machines Iran initially installed there.

Iranian officials said Tuesday that they would replace the remaining first-generation

machines at Fordow with more advanced centrifuges, according to state media reports.

Iran's supreme leader, Ayatollah Ali Khamenei, has long said he wants Tehran to eventually run industrial-scale enriched uranium production.

In Washington, John Kirby, a spokesman for the National Security Council, said Iran continues to try to shorten the amount of time it would take to produce enough weapons-grade nuclear fuel for a bomb. He said that is why the Biden administration had tried to restore the 2015 nuclear deal when it took office.

Moderates' Aid Sought By Regime

Continued from Page One

months of nationwide protests. Their purges of prominent rivals and reformists from the government in recent years have narrowed their options for putting down one of the most serious internal challenges to their rule in the clerical regime's 43-year history.

Support for the protests has been fueled by anger at an economy racked by sanctions and inflation, at laws requiring women to cover their heads in public, and at a government that has excluded moderates from its ranks, senior Iranian reformists have said. Moderates were once an integral part of Iran's Islamic system of governance, and are now growing more aligned with protesters' calls for the system to be torn down.

"A large part of society shares the dissatisfaction with the protesters," Mohammad Khatami, a former president of Iran, warned this week in a speech released on a reformist social-media site. "Continuation of the status quo is further increasing the grounds for a societal collapse."

The Iranian government didn't respond to requests for comment.

A release valve

The presence of moderates and reformists in the government once provided a political pressure-release valve, but both factions have seen their role in Iranian politics shrink in recent years. Reformist politicians have sought for decades to loosen Mr. Khamenei's hard-line grip on Iranian society, while moderates accepted his role but favored more social and political freedoms. Their dissenting voices could help absorb discontent without threatening the system.

In recent years, the Guardian Council—a 12-member body of clerics and jurists partly appointed by Mr. Khamenei with sweeping powers to veto legislation and decide who is eligible to run for office—has purged the government and Parliament of almost all moderates and reformists, and even some conservative rivals.

Before the 2021 presidential elections won by Ebrahim Raisi, the council approved five conservatives, one centrist and one reformist, and disqualified four others. "We narrowed the competition day by day, and trusted political activists of the people gradually left the scene," Majid Ansari, a former vice president under former centrist President Hassan Rouhani, said this month at a forum in Tehran.

"Ayatollah Khamenei made sure all reformists left the political system," said Saeid Golkar, an authority on Iran's security services who teaches at the University of Tennessee at Chattanooga. "He did political surgery to prepare for his succession."

The protests erupted in September after 22-year-old Mahsa Amini died in police custody, after she was arrested for allegedly violating strict laws on women's dress in public. What began as nightly clashes in Tehran and other cities involving hundreds of mostly young people has given way to daily civil disobedience.

Businesses have closed their doors. Students have staged campus sit-ins. Women have publicly defied laws requiring headscarves and modest dress. Workers have gone on strike in key industries. Mourners at the graves of protesters killed by



Clockwise from left: Supreme Leader Ali Khamenei in Tehran this month; a woman protests; unrest in Tehran Oct. 1; shops closed after riots.



authorities have coalesced into pop-up antigovernment rallies.

In response, the government has used pellet guns and tear gas, arrested demonstrators en masse, cracked down on university students, shut down the internet and claimed that protests were the work of foreign spies.

More than 430 protesters have been killed and 17,000 have been detained, according to estimates from the nongovernmental organization Human Rights Activists in Iran. Some now face the death penalty.

The ailing 83-year-old Mr. Khamenei has steered Iran's tumultuous course for more than three decades after succeeding Ayatollah Ruhollah Khomeini, the patriarch of the powerful Khomeini family and the only other person to hold the job of supreme leader.

Iranian officials have dismissed the possibility that the unrest could threaten the hard-line government Mr. Khamenei has built.

"I don't see signs of any senior official having the slightest doubt about the stability of the Islamic Republic," said Mohammed Marandi, a professor at Tehran University and a hard-line adviser to Iran's nuclear negotiating team. "If they really worried about ending the riots quickly, they could have used a much heavier hand."

Mr. Khamenei and other top officials have offered few public concessions to protesters. They have demanded Farsi-language satellite television channels cease beaming videos of the protests into Iran.

Iranian officials have also turned to the courts, filing charges against more than 1,000 people in Tehran alone. A defendant was sentenced to death last week for setting fire to a government building.

The Islamic Republic's next steps to try to tame the protests are likely to include attempts to split off parts of the movement, using misinformation to portray the protests as the work of foreign spies and carrying out executions in hopes of deterring people, people who study Iran say.

Mr. Khamenei could dismiss Mr. Shamkhani, the national-security chief, or pressure President Raisi to step down for failing to halt the unrest,

according to former officials.

If other options fail, using live ammunition is likely to be intensified, say the Iran experts, though they say authorities might be reluctant to use it against young women, who often lead the demonstrations.

"The regime has just one method, which is aggressive suppression," said Mostafa Pakzad, a Tehran-based consultant who advises foreign companies in Iran. But, he said, "the character of this uprising is spontaneous, leaderless and emotional" and therefore "very hard to dismantle by sheer aggression."

Secret appeal

The outreach to the Khomeini and Rafsanjani families indicates the government is searching for other measures to quell the demonstrations—and considering concessions that only months ago would have been considered unthinkable.

Few other Iranian families have deeper roots at the highest levels of the Islamic Republic. An ascetic Shia cleric whose return from exile helped bring down the monarchy in 1979, Ayatollah Ruhollah Khomeini was the father of Iran's revolution and its first supreme leader until his death a decade later. Akbar Hashemi Rafsanjani engineered Mr. Khamenei's ascent to the post. He was the

country's president from 1989 to 1997, and remained a pragmatic insider until he died in 2017.

Younger members of the Khomeini and Rafsanjani clans have built careers in business and politics, often as reformists or moderates at odds with Mr. Khamenei. Mr. Rafsanjani's youngest daughter, Faehz Hashemi, and other members of the two families have been detained during the recent protests.

In late October, Mr. Shamkhani, the head of Iran's National Supreme Security Council, invited Mr. Ansari, who is close to the Khomeini family, and Hossein Marashi, a relative of Mr. Rafsanjani's wife, to a

meeting in his Tehran office, the people told about the meeting said. Also in attendance, they said, was Behzad Nabavi, who founded the Islamic Republic's intelligence service and is now close to the reformist former president Mr. Khatami.

Mr. Shamkhani, the security chief, expressed confidence in

the Islamic Republic's resilience, saying he had received information the U.S. wasn't seeking regime change, the people briefed on the meeting said. If the families would ask protesters to stand down, he told them, liberalizing measures that reformist-minded members of these factions had long favored could follow, the people said.

Mr. Shamkhani arranged for them to meet a week later with President Raisi, who repeated the request for the support of the two families, the people said.

Mr. Marashi suggested to the Iranian leaders that they should reach an agreement with the U.S. on reviving a 2015 agreement limiting Iran's nuclear program in return for lifting international sanctions, the people familiar with the talks said. Reviving the deal—a goal of many moderates and reformists who favor engagement with the West—would ease Iran's economic isolation and help defuse the protests, he said. The talks have so far gone nowhere, the people said.

Officials involved in the nuclear talks have said that the two sides were close to a deal in August, but the negotiations have since deadlocked over Tehran's demands for an end to an unrelated United Nations investigation of its nuclear activities. After the Iran protests

Mr. Khamenei 'made sure all reformists left the political system.'

meeting in his Tehran office, the people told about the meeting said. Also in attendance, they said, was Behzad Nabavi, who founded the Islamic Republic's intelligence service and is now close to the reformist former president Mr. Khatami.



A video posted Nov. 3 reportedly showed protesters defacing a banner depicting Mr. Khamenei.

broke out in September, Biden administration officials said the nuclear talks are no longer a priority.

Mr. Marashi said he couldn't immediately comment when reached by phone and didn't respond to subsequent requests. Messrs. Shamkhani, Ansari and Raisi—through his government's website—didn't respond to requests for comment. Mr. Nabavi couldn't be reached.

Since the meetings, some members of the two families have publicly backed the protesters. Hassan Khomeini, a prominent reformist cleric and grandson of the republic's founder, issued a public call for sweeping political change.

"The most rational way of running the country is majority-oriented democracy," he told reformist website Bayan Farda on Nov. 8. "You should have hope in God and then trust in people," he said, adding such views positioned him as loyal to his grandfather's ideals. A reformists' faction to which Mr. Marashi belongs is now calling for a referendum to decide on the regime's future.

Other sidelined reformist officials have moved closer to the protesters. Parvaneh Salahshouri, a former Iranian lawmaker who advocated against the mandatory hijab and was the leader of a group of reformist female legislators, has become more critical of the government since she decided not to run for re-election in 2021.

"Be sure that God's patience has run out with your cruelty," she warned the government this month in a tweet. She has also criticized reformists, such as Mr. Khatami, saying their efforts to work within Iran's government have failed.

One danger for the regime is that groups that have supported the government—including powerful Shiite clerics in the holy city of Qom—could reconsider if they begin to doubt its ability to contain the unrest. Even more dangerous is that the Islamic Revolutionary Guard Corps, a powerful branch of the armed forces that has evolved over decades into a semiautonomous institution with extensive commercial interests, could seize power and replace Iran's theocracy with military-dominated rule.

Most Iranians oppose the Islamic Republic's theocratic form of government, polls show. About 68% of respondents in a 2020 poll of Iranians said they believe that religious requirements should be excluded from state legislation, according to the Group for Analyzing and Measuring Attitudes in Iran, a nonprofit research foundation in the Netherlands. Only 14% agreed that laws should accord with religious teachings.

Even supporters concede that Mr. Khamenei's push to exclude reformist and moderate voices from the government have left many Iranians feeling disengaged, with no outlet to voice their frustrations other than protests.

"In the days when people do not have significant participation in the minimum platforms created for political participation, such as elections, it is clearly necessary to take steps in the direction of designing mechanisms and processes to make the will of the people flow in the structures," Mohammed Reza Ziaie, a student leader in the Basij militia, whose role is to defend the Islamic Republic's system, told Mr. Raisi in a January public address.

Supreme Leader Khamenei has shown no sign of relenting. "We brought together the republic and Islam; we brought together the presence of the people and the opinions of the people and God's knowledge," he said in a Nov. 2 recorded address. "We did this work with divine success."



FROM TOP: ILLUSTRATION BY JON KRAUSE; JOE RAEDLE/GETTY IMAGES

Learn From the Cheapskates

Bargain airlines hit passengers with extra charges, but fee-free fliers know how to avoid them



CARRY ON
DAWN
GILBERTSON

Frontier Airlines Inc. boasted about collecting \$78 per passenger in fees this summer. Denver frequent flier Ashlee Lane can brag that she didn't contribute a cent to that record haul.

The 39-year-old nanny flies her hometown airline several times a year and refuses to pay for bags, seat assignments and other extras that budget carriers peddle non-stop during booking. She pays only for airfare. She has taught her whole family how to pack only the essentials.

"I feel like I'm the person they don't want flying," Ms. Lane jokes.

No-frills airlines like Frontier and Spirit Airlines Inc. bank on travelers paying more than those cheap fares they dangle. Many of us grin and bear the upsell in the name of travel must-haves, like a change of clothes.

But a surprising number of passengers fly budget airlines without running up fees that can double the price of a ticket. Allegiant Air and Sun Country Airlines say one in five passengers pays nothing more than airfare. Frontier and



No-frills carriers count on travelers to add extras like bags and seat fees.

Spirit don't divulge similar stats. Representatives for both say the ability for passengers to avoid fees shows their oft-criticized à la carte pricing model works.

This band of super frugal fliers are a proud, determined bunch.

Susan Hall, 51, flies Frontier and Spirit several times a year. She loves the airlines' nonstop flights from Cleveland and regularly scouts their websites for deals. A few weeks ago she snagged two round-trip tickets to Tampa, Fla., for Thanksgiving for \$232. Nowhere on her receipt: charges for bags or seats. (She did pay \$56 a piece for extra legroom

seats on a red-eye home from Las Vegas in July, but only after winning a slot-machine jackpot.)

"I am notoriously cheap," says Mrs. Hall, a supply-chain specialist. "The more money I can keep in the bank account for myself and not give to airlines, the better."

The first rule of fee dodging? Pack light. Really light.

Budget airlines and major airlines with tight restrictions on basic-economy tickets—looking at you, United and JetBlue—allow passengers to bring only one personal item free. Think purse or small backpack. The item must fit under the seat in front of you and

likely will be sized up by agents at the gate. Bigger bags, including traditional-size carry-ons, are extra, and the penalties are stiff for bringing one to the gate. Frontier charges scofflaws as much as \$100 last-minute if their personal item doesn't fit in the bag sizer.

YouTube and TikTok tutorials play to the personal item crowd, with packing hacks and recommendations galore on bags that meet the strict size requirements. (My social-media feeds have been clogged with ads for backpacks, compact suitcases and flexible totes with nooks and crannies since I started researching this column.)

Squeezing a vacation or work wardrobe into such a small bag requires finesse and discipline. Frontier won't allow anything more than 14 inches tall, 18 inches wide and 8 inches long. Others have similar specs.

Opera singer Ashley Fabian travels up to eight times a month for auditions and performances. The 31-year-old soprano, who lives in Los Angeles, pays her own audition expenses and zealously hunts for the cheapest flights. Recently, that has meant a lot of flights in basic economy on United. (She considers Delta's basic economy tickets a luxury because you can bring a regular-size carry-on bag,

but says they tend to be pricier.)

Ms. Fabian refuses to pay the \$30 to \$35 United charges each way to check a bag, so she strategically stuffs everything into a small black duffel.

First into the bag, which was a gift with a purchase from shoe retailer DSW: a black audition binder with her sheet music and résumé, wrinkle-free audition dresses in black or jewel tones and a pair of nude heels.

Everything else goes on top of that. Ms. Fabian, who writes a blog with money-saving tips, usually rolls up a pair of black jeans, a white T-shirt and other wardrobe staples for versatility. She packs only the bare essentials from her makeup stash.

"I'd like to be a little bit fashionable, but you have to make sacrifices here and there," she says. She usually has to leave her laptop home for space and is stuck in a middle seat on about half her flights because she doesn't pay for seat assignments. None of it is ideal but it fits her budget.

Daniel Shurz, a senior vice president at Frontier, says airline fees tend to make travelers decide what's important to them.

"If things are free/included, then your incentive is to bring more stuff," he said. "A lot of people discover they can travel with less."

Ms. Lane, a married mother of two, says the only thing she cares about when buying a plane ticket is getting there as cheaply as possible. When she lived closer to the Denver airport, she even drove there to buy tickets to avoid Frontier's quirky charge for online bookings.

Her 14-year-old daughter only knows budget travel. She has been flying since she was 8 weeks old and has never brought a suitcase on a plane, her mother says.

For a weeklong trip to Cancún a year ago, Ms. Lane, her daughter and husband each carried on a small backpack like the JanSport one her daughter uses for school. They stuffed them with mix-and-match clothes (neutral tones plus a pop of color) for optimum outfit changes and wore the heaviest stuff on the plane. Ms. Lane stashed her baby's clothes and a few diapers in the allowable diaper bag and bought more when they arrived.

They don't pay for advance seat assignments and have never been separated as a family on Frontier or Spirit, Ms. Lane says. She estimates she saves as much as \$175 per person per flight by not paying for seats or bags.

Even when she's allowed to check a big bag free of charge, Ms. Lane still packs extremely light. On a two-week trip to Italy on Delta Air Lines before the pandemic, she plopped her small bag on the airport scale. The bag weighed 11 pounds, nearly 40 pounds under the limit.

Their traveling companions on the Mexico trip paid for carry-on bags and checked bags. Ms. Lane says the mother in the family is an unapologetic overpacker.

"Some people, they just can't do it," she says. "And that's OK."

Why Investors Love The Slovenly CEO



ON TREND
JACOB
GALLAGHER

As the rubble settles around Sam Bankman-Fried's shattered crypto empire, one fact is clear: The 30-year-old FTX founder wore some seriously ill-fitting T-shirts.

Since he splashed into public several years ago, the erstwhile monetary whiz kid was rarely seen in anything other than an oversize shirt and equally baggy khaki shorts. Slovenly attire was the centerpiece of the Sam Bankman-Fried brand.

There he was, dressed like a wayward college student next to Tony Blair and Bill Clinton on a conference stage, or appearing in a social-media video with Tom Brady (an FTX ambassador), or pitching his company on a financial-news network.

At times, Mr. Bankman-Fried seemed unfamiliar with how clothes were supposed to be worn. When he suited up to visit Congress in 2021, the laces of his dress shoes were tied in a tangle that looked like a pile of Silly String. Naturally, crypto fanboys turned his messy laces into a meme. Today you can still buy a sticker of the contorted shoelaces for \$2.57 online.

Initially, Mr. Bankman-Fried's everyman shtick was compelling, if not outright endearing. Profiles of the

mop-topped moneymaker nearly always mentioned his disarmingly juvenile uniform.

"He branded himself as a slob, and it makes him more authentic and people like it more," said Michael Pachter, a research analyst at Wedbush Securities who famously criticized Mark Zuckerberg in Facebook's early years for wearing a hoodie to rally Wall Street investors, calling it a sign of the budding exec's immaturity.

While he still thinks a startup founder's attire should match the decorum of a given meeting, Mr. Pachter noted that Mr. Bankman-Fried's persistent T-shirt wearing may have made him effective at getting money from equally dressed-down backers (the venture-capital space isn't exactly a hotbed of ties).

An adherent of the movement known as effective altruism, the FTX founder claimed he was amassing wealth just to give it all away. In a CNBC interview published two months before FTX's collapse, Mr. Bankman-Fried said he planned to spend "maybe like one percent" of his fortune on himself.

His seen-better-days T-shirts, often with their collars stretched out from use, were a wearable demonstration of his personal thrift.

The seismic flameout of FTX—once valued at \$32 billion, the company filed for bankruptcy and faces Securities and Exchange Commission and Justice Department inves-



FTX founder Sam Bankman-Fried became known for his unkempt style.

tigations—helps deflate one of the startup world's great myths: the underdressed genius founder. Since Steve Jobs first shed his preppy bow ties in favor of futuristic Issey Miyake turtlenecks, Silicon Valley has swooned over founders who don't dress like the stodgy old suits.

Savvy execs have since exploited the idea that wearing something off-kilter, and even slovenly, can draw in investors.

"You don't want to look like you're trying too hard because you want to look like the time and your attention is going to the venture," said Laura Huang, professor of entrepreneurship at Harvard Business School, in reference to the calculatedly casual look of founders such as Mr. Bankman-Fried.

Ms. Huang's research is in the "gut feelings" that investors use to make decisions about what companies to pour money into. She noted that everything from the gender of the founder to what they wear can impact how much an investor is willing to sink into a company.

If there's one man responsible for popularizing the slovenly CEO myth it's Mr. Zuckerberg, who wore interchangeable, oh-so-average zip-up hoodies and gray T-shirts throughout Facebook's early years as he drummed up investment and pitched the company at tech conferences. The hoodie was as integral to the Facebook brand as the "like" button, presenting the CEO as someone with no time for frivolities like shirt buttons.

He spawned a legion of hoodie-wearing, keyboard-jockey clones, all out to prove that they too had no time for style when there was coding to be done. To this day, neutral T-shirts and drab hoodies of the Zuckerbergian variety proliferate at tech companies across the country.

For tech bros, "it's popular to be antiestablishment, and attire is the first thing you see," said Mr. Pachter. "If you don't dress the way they expect you to dress, [outsiders] look down on you."

Then there's Elizabeth Holmes, the founder of biotech startup Theranos who more directly echoed the Apple founder by wearing similar black turtlenecks to the office and on the covers of magazines including Inc., Forbes and Fortune.

Both founders now face choppy waters. Meta, Facebook's parent company, has watched its stock lose nearly \$800 billion in just over a year, as Mr. Zuckerberg has steered the company toward as-yet-unproven projects like the metaverse. And Ms. Holmes, who appeared in court in blouses not turtlenecks, was sentenced to more than 11 years in prison last week for four charges that she misrepresented her defunct startup's technology, finances and business prospects to investors.

If these examples prove anything, it's that execs in T-shirts and turtlenecks are just as capable of sending a company into a tailspin as those in Enron-era ties.

But norms are difficult to break down, particularly in Silicon Valley where founder origin stories are retold like biblical lore. It is unlikely that we'll see a pivot to suits from sweats anytime soon. "There's a uniform," said Prof. Huang, "every profession has a uniform."

PERSONAL JOURNAL.



**ON THE
CLOCK**
CALLUM
BORCHERS

The Bosses Who Want To Emulate Elon Musk

Many managers envy his style, push employees for maximum effort

Your boss probably hasn't demanded a loyalty pledge and almost certainly doesn't own a rocket ship, but the person calling the shots at your company might be more like Elon Musk than you realize.

On the inside, anyway. The Tesla and SpaceX chief is defying norms in his takeover of Twitter by skipping a newcomer's traditional review period, swiftly removing top leaders and laying off roughly half of the staff. He has made sudden strategic changes and reversed some just as quickly, contributing to a chaotic public image that few executives would want to model.

What is consistent—and alluring to some bosses—is the billionaire's unapologetically high standard for employees. He spelled it out last week in an emailed ultimatum, saying that Twitter employees must commit to “long hours at high intensity” or leave with three months' severance. He also has fired internal critics and vowed to curb remote work, contending a leaner, harder-working team is necessary for Twitter to improve its financial position and compete in a crowded social-media market.

Managers who think the working world has gone soft in recent years, with all the talk of flexibility and work-life balance, say they envy Mr. Musk's unfiltered style and share his craving for maximum effort—even if they wouldn't act quite as forcefully as the world's richest person.

“I think every successful CEO, including myself, is tired of all the whining,” says Michael Friedman, chief executive of the New York investment firm First Level Capital.

Mr. Friedman, 57 years old, says his professional ethos was forged in an office where, as a young stockbroker, he didn't earn an assigned desk until he landed his first 100 accounts.

He chafes at the contemporary rebellion against hustle culture, exemplified by the “quiet quitting” phenomenon in which workers keep their jobs but do only the bare minimum.



The new Twitter owner spelled out his standards in an emailed ultimatum.

Would he take as hard a line as Mr. Musk?

“Well, I certainly don't have as many zeros behind my name as he does,” Mr. Friedman says.

Mr. Musk's fortune and company-building record could afford him uncommon power to push employees hard. A decade ago at Tesla, for instance, he pressed his team to the brink of exhaustion: “Prepare yourself for a level of intensity that is greater than anything most of you have experienced before,” he warned in an email at the time. The company ultimately flourished.

That isn't to say there won't be fallout at Twitter. Hundreds of employees quit in recent days, and

‘I think every successful CEO, including myself, is tired of all the whining,’ says one executive.

even those who signed his pledge to be “extremely hardcore” may be hunting for jobs elsewhere. “Only exceptional performance will constitute a passing grade,” he told employees. Meanwhile, many advertisers have halted or reduced spending at Twitter, and Mr. Musk has said bankruptcy isn't out of the question. He paid \$44 billion for

Twitter, which has posted a loss in eight of the past 10 fiscal years.

Yet he is the rare CEO with a fan base—“Musketeers,” as this male-dominated bunch is known—and might be able to fill the company's ranks with devotees who believe in his vision of a more freewheeling and profitable platform and are willing to grind.

That appears to be his bet. And if he fails, he will likely remain fabulously wealthy from other ventures. It is a position that most other business leaders can only wish for.

“He can do whatever he wants, and everyone that has an opinion about it can piss off,” says Derek Grubbs, director of sales develop-

ment at Crux Informatics, a software company. “If everybody exits from Twitter, there are plenty of other people who will be ready to enter because it pays well, and working for Elon Musk has a flair to it.”

The median salary at Twitter last year was more than \$230,000, according to a Wall Street Journal analysis. It is unclear whether the company will offer additional money to recruit and retain workers in a harder-charging environment. Twitter didn't respond to an inquiry.

Mr. Grubbs, a 36-year-old Navy veteran, says he shares Mr. Musk's strong preference for in-person work but recognizes that it is a tough sell. Charged with hiring a small team after joining Crux in April, he says he lets employees work from home sometimes but requires them to live in Austin, Texas, so that the group can meet regularly in an office.

Jon Arnold, chief executive of J. Arnold Wealth Management in Youngstown, Ohio, says he gave up on hybrid work in June and ordered his 27 employees to report daily to the office, having concluded that people were less productive at home.

He estimates that a typical employee needs to put in 50 to 55 hours a week to hit the goals he sets for them but says that he offers higher salaries than nearby firms and works 65 to 70 hours a week to set an example.

“I run my business very much like Elon Musk,” says Mr. Arnold, 46. “I'm a right-way-is-the-only-way kind of guy.”

He adds that he has fired receptionists for failing to greet clients with a “good morning” and a cup of coffee.

Still, he says he was forced to acknowledge several years ago that his intensity was driving too many talented hires to quit within three months. Instead of issuing ultimatums, Mr. Arnold says he kept the bar high while softening his demeanor and taking more interest in employees' personal lives—making sure they could get home in time for children's concerts and soccer games, for instance.

Alas, most bosses who admire Mr. Musk can't get away with being as tough as the man himself. They will have to settle for living vicariously through his “hardcore” declarations.

Prices Churn Up Butter Fans

Continued from Page One
hoo!” Lines were reported in Boardman, Ohio. “There was no butter in Painesville, Ohio, this morning,” one baker declared. In Daytona Beach, Fla., the sale price was \$2.99, noted another. Several offered ways to get around the 6-pounds-of-butter-per-person limits. “Took three buddies and got 24 pounds.”

The coming holidays and near record high butter prices have churned up an underground butter brigade. People who love to bake are scouting national, regional and local stores across the country and sharing butter deals with fellow spritz and snickerdoodle makers on social media. They post photos of store shelves with prices listed and kitchen counters piled with their latest hauls. One made a butter Jenga.

“People are passionate about butter,” says Ms. Magone, of Pittsburgh. The wedding cookie table members are generous, she says, offering advice on baking, freezing butter, making butter and ways to stretch every bit of butter. One tip: freeze butter wrappers and use them to grease cookie sheet pans.

Aldi rolled back prices to 2019 levels on dozens of products, including baking ingredients such as pecans and marshmallows, as part of its Thanksgiving Price Rewind program. Butter wasn't included. “While butter is not part of our rewind program, we know it is a key baking ingredient, which is why we have increased our supply to meet the holiday demand,” says Scott Patton, vice president of national buying at Aldi U.S. Butter prices vary by location, he said.

Bob Cropp, who writes a column for the Cheese Reporter, says prices vary based on competition and regional costs. “I can sometimes buy butter for \$1 less at my 7-Eleven than the grocery

store,” says Dr. Cropp, professor emeritus at the University of Wisconsin-Madison.

He says butter prices reached record highs in September but are expected to come down by the end of the year. He attributes higher prices to more demand—butter consumption rose to 6.5 pounds per person in 2021, from 5.6 pounds in 2015, he says—and lower supply. Butter inventories in September were down 18% from a year ago, he says, due in part to higher exports and labor shortages as well as our growing appetite for cheese, which uses a lot of milk fat that would otherwise make butter.

page: “For your holiday baking butter stash!” That prompted responses including one saying the price in Florida is \$3.99, followed by an angry-face emoji. Ms. Hall says she started stocking up on butter in September and had about 20 pounds in the fridge. “My nephew calls my house the house of 2,000 cookies,” she says. “He's pretty close.”

Beverly Snyder Kundla, of Homer City, Pa., reached out for advice after using lower-priced margarine in a batch of caramel-stuffed snickerdoodles, which came out looking too flat. “With as many cookies as I'll make over the next three months, I can't afford



Dee Stroup adds cut-up butter to scone dough.

Dee Stroup, who won a Pittsburgh Nut Roll Competition in 2019, needs 20 pounds of butter to get through Thanksgiving and Christmas and will bake only with Land O' Lakes. She checks with her local market and talks often with a wholesaler who supplies restaurants. She stocks up when she gets a deal and posts on the Wedding Cookie Table Community Facebook page. She found butter for \$3.88 a pound and issued a dispatch: “LAND O' LAKES BUTTER ALERT.”

“I try to get the word out to our community,” she says. Shariann Hall, of Canfield, Ohio, posted about a \$2.49 butter sale on the Youngstown Cookie Table Facebook

butter on a school secretary's salary,” says Ms. Kundla. One fellow baker suggested another brand of margarine. A few recommended using half butter, half margarine. Another said she could try making butter. Ms. Kundla responded saying she had looked into that possibility but a quart of cream costs as much as a pound of butter.

Her mother, Anna Mary Snyder, made butter, but had a cow she milked twice a day. Ms. Kundla posted a photo of Anna Mary's recipe for sugar cookies on the Wedding Cookie Table Community Facebook page. It uses lard, rather than butter. “I would like to find more recipes with lard,” she says.

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ARTS IN REVIEW



TELEVISION REVIEW | JOHN ANDERSON

A Mystery Fit For a King of Ancient Egypt

One hundred years ago this week, the archaeologist Howard Carter chiseled a hole in a doorway of an as-yet-unexplored vault in Luxor's Valley of the Kings and, by candlelight, peered in. What do you see? asked his longtime, long-suffering financial backer, Lord Carnarvon. "Wonderful things," Carter responded, which seems a rather restrained reaction: What he'd found was the tomb of King Tutankhamun, one of a handful of the most significant and bountiful discoveries in the unearthing of the ancient world.

In "Tutankhamun: Allies & Enemies," a two-part exploration of its own, one prominent Egyptologist interviewed says that Carter's find was all about "luck"—never mind the single-minded 15-year search he'd undertaken with Carnarvon's money. But what becomes evident in this Egyptian production is that Egyptians are, perhaps rightfully, possessive of Tut, and that one of the wonderful things about the show is how few of the experts agree about much. Was Tut's tomb—smaller than would have been proper for a pharaoh—originally intended for Ay, who would succeed the boy king after his premature death and claim the bigger

space? Yes, says one. No, says another. Was Tut's death the result of a fall, a plague, a pileup at a chariot race or plain old political murder? Everyone asked has an opinion, all of them supported by research, even DNA evidence. Is such evidence reliable after nearly 3 1/2 millennia? You get an argument there, too.

"There's so little evidence we can make up whatever we want about that poor boy's reign," says Salima Ikram of the American University in Cairo and one of the more charming experts interviewed. The show's hosts, photographer Mahmoud Rashad and archaeologist Yasmin El Shazly, are both Egyptian and open about wanting to make "Allies & Enemies" an Egypt-centric show. As a result, they probably get more candid assessments of both Tut and his treasures than they might have otherwise from their various sources. Tut "was more important to us than to ancient Egypt," says one expert. "He's important because of the tomb."

They argue about the identity of Tut's mother—was she Nefertiti, or was Nefertiti actually an enemy because Tutankhamun, son of a king, threatened the legacy of her daughters? Everyone agrees about Tut's father—Akhenaten, who imposed a



The Tutankhamun mask, above, and a mural, above left; Tut's tomb was discovered by Howard Carter in 1922

SOURCE: FILMS/PBS (2)

Disagreement abounds among the experts in this documentary about King Tut and his tomb.

monotheistic religion on Egypt, a land whose people had worshiped multiple deities. It was a belief system that did not last, and was intentionally erased along with its founders: In a visit to the temple of Seti I and its Kings List in Abydos, Mr. Rashad and Ms. Shazly find that the names of Tut, Ay and Akhenaten are missing; Horemheb, successor to Ay, had them excluded so as to erase

them from the historical record.

The religious anxieties—which were really political—may have contributed to Tut's short rule. The broken leg that had no time to heal before his demise at age 18 or 19 might have been a factor, too. It's a mystery story, has been for at least a century, and the forensics are fascinating. So are the completely plausible explanations for various deeply held but unconfirmable positions about Tutankhamun's life and death. The question of the tomb, for instance: Mostafa Waziri, secretary general of Egypt's Supreme Council of Antiquities, is immovable on the subject—the vault that Carter discovered was the one always intended for Tut, Mr. Waziri says.

Aidan Dodson, of the U.K.'s University of Bristol, is equally convinced the tombs were switched. The location backs up one argument, the size another. It's engaging to hear the cases made, demolished and made again, all with complete authority and conviction. Tutankhamun has been a pop star for 100 years, off and on. "Allies & Enemies" has found a fresh way of digging into his story, at a moment that may be ripe for another Tut revival.

"Tutankhamun: Allies & Enemies," Wednesday, 8 p.m., PBS.

Mr. Anderson is the Journal's TV critic.

By DAVID MERMELSTEIN

Among its other priorities, the Criterion Collection has lately paid outside attention to movies from Hong Kong, with boxed sets in recent years devoted to Bruce Lee, Tsui Hark's "Once Upon a Time in China" franchise and the exquisite art films of Wong Kar Wai. The company even paid tribute to Jackie Chan's first two "Police Story" movies. And earlier this year, it trained attention on two pictures from the former British crown colony's new wave, Ann Hui's devastatingly potent "Boat People" and Stanley Kwan's historical romance-cum-ghost story "Rouge."

Now Criterion is giving the region's police procedurals the once-over, bringing to Blu-ray in new 4K restorations the "Infernal Affairs" trilogy, made in quick succession between 2002 and 2003. The films are best known to American audiences as the inspiration for "The Departed" (2006), which won four Oscars, including best picture and best director—Martin Scorsese's sole victory in that category.

Mr. Scorsese and William Monahan, whose screenplay also won an Oscar, borrowed only from the first film in this Cantonese triptych for their adaptation, relocating the action to Boston and studding the cast with A-list Hollywood actors like Leonardo DiCaprio, Matt Damon and Jack Nicholson, risibly ripe as the mob boss. And though the film's ending is unusually dark for a studio picture, it's not nearly as bleak as its inspiration.

That film, "Infernal Affairs" (2002), casts Andy Lau and Tony Leung as two ostensible opposites—

FILM REVIEW

Conflicted Cops in Hong Kong

one a gung-ho young cop, the other a tyro gangster—who are, in fact, not at all what they seem. In flashback, we see both characters as police cadets in scenes laying the groundwork for the complicated dealings to come.

But whereas Mr. Lau's Lau Kin-ming is from the start an under-world plant within the ranks of Hong Kong's police force, Mr. Leung's Chen Wing-yan wants only to serve the forces of law and order. Both young men are controlled by older ones in supervisory roles: Yan by the steely, sunglasses-wearing Superintendent Wong (Anthony Wong), and Ming by the outwardly dim, disarmingly jovial triad boss Hon Sam (Eric Tsang).

Andrew Lau (no relation to the actor playing Ming) and Alan Mak directed all three "Infernal" pictures,

but the first is the least fussy, both in terms of visual style and plotting. Mr. Mak also co-wrote all three films, along with Felix Chong. And though the intricate tale certainly keeps viewers engaged, the film's focus on the inner lives of these two inherently compromised characters—each one betraying a mentor and a métier—is what really distinguishes the movie. Few films, including Mr. Scorsese's remake, probe so deeply the human costs of perfidy—the repression of an inner life, the mental anguish and exhaustion that accompanies such long-term and deep-seated duplicity, and the fundamental impossibility of a truly meaningful connection with another person.

Conceiving a sequel to a movie this tightly constructed must have been daunting, especially given the

apparent finality of its concluding scenes. But Messrs. Lau, Mak and Chong smartly realized that narratives don't always have to move forward; backward works, too. Thus "Infernal Affairs II" (2003) begins before the beginning, with the two actors who briefly portrayed the young Ming and Yan in the first film—Edison Chen and Shawn Yue, respectively—the stars of this one. (All hail farsighted casting.)

The picture differs from its predecessor in various ways—its mood less urgent, for one thing—but most significantly because we all know where the action is heading. Its principal appeal lies in the finely textured backstory. Though both Mr. Chen and Mr. Yue are given plenty to do as the film's protagonists, the screenplay's boldest move lies in devoting much attention to the lives

A still from 'Infernal Affairs II,' part of a crime trilogy

and motivations of the pair's controllers: Mr.

Wong's superintendent and Mr. Tsang's (at this point) mid-level gangster. The result may be less nail-biting than its predecessor, yet it is more involving emotionally.

But by "Infernal Affairs III" (2003), the trio responsible for creating these films has been constrained by its own ingeniousness. Continuing the backward glance would place Ming and Yan in knee-pants, while the first picture's denouement precludes moving forward with these characters. The movie instead opts to re-examine the latter portions of the first film in granular detail, along with introducing two new characters, played by Leon Lai and Chen Daoming, who bring added, welcome twists to the story.

Unfortunately, overly arty camera techniques and the very limited plot options in a story as fixed as this one create a confusing narrative with far too many jumps in chronology. Viewers heavily invested in these characters may not mind, or may even relish it, but more casual watchers will likely abandon keeping track of details and simply savor the film's climactic moments.

The absence of a fourth chapter in this series should be applauded. Pushing things further would have required fundamental changes to this material's foundation—an often wildly entertaining cinematic mind game that probes betrayal's toll.

Mr. Mermelstein writes for the Journal on film and classical music.

SPORTS

The Mastermind Behind Saudi's Upset

BY JOSHUA ROBINSON
AND JONATHAN CLEGG

Weeks before sending the Saudi Arabia national team off to the World Cup, Crown Prince Mohammed bin Salman summoned the players and staff for a meeting. He wanted to look them in the eye before they became his soccer envoys to Qatar.

His message was clear: Just do your best. Even Prince Mohammed, a man who has undertaken the task of transforming Saudi Arabia into a superpower at all costs, knew that his national soccer team couldn't be expected to do much. Building half-trillion-dollar megacities was one thing. Beating Lionel Messi's Argentina was another.

"He didn't put any pressure on us," Saudi manager Hervé Renard said here. "This is the way you have to work in football. When you put too much pressure, it isn't always working all the time."

Except this time, it worked. In one of the greatest upsets in World Cup history, Saudi Arabia—ranked

No. 51 in the world—took down two-time champion Argentina 2-1 on Tuesday. The result immediately joined the list of all-time stunners, alongside Senegal upsetting defending champion France in 2002, North Korea beating Italy in 1966, the U.S. taking down England in 1950 and Cameroon shocking Argentina in 1990.

According to data analysts Nielsen Gracnote, it ranks as the World Cup's most unlikely result of all time, with just an 8.7% chance before kickoff.

The result was also a moment of long-awaited validation for Renard, a journeyman coach who has built a decorated career on soccer's road less traveled. A 54-year-old Frenchman who wears tight white dress shirts and a deep permaman, Renard has made it his specialty to turn around national teams in Africa and Asia. He has won the Africa Cup of Nations with Zambia and Ivory Coast. He has coached in Vietnam, Angola, and Morocco.

"I think many French journalists didn't even know that the manager of Saudi Arabia was French," Renard said on Tuesday.



Saudi Arabia manager Hervé Renard

Renard landed in Saudi Arabia, shortly after the team was bounced from the 2018 World Cup. In six appearances at the World Cup, the team has survived the group stage only once, in 1994, when it lost in the round of 16.

A similar result this time, in a group featuring Argentina, Mexico, and Poland seemed about as realistic as a snowman in the desert.

The team won just four of its 11 games this year before the World Cup. By November, however, Renard had transformed the Falcons, as the team is known, into a well-drilled side that seized its limited opportunities, rode its luck, and bent without breaking for the last half-hour of the game.

Man United Owners Explore Sale

BY JOSHUA ROBINSON
AND JONATHAN CLEGG

MANCHESTER UNITED'S American owners, the Glazer family, announced on Tuesday that they were exploring the sale of one of the most famous sports teams in the world, setting up a potentially record-breaking auction 17 years after they bought the club.

The announcement turned an already busy day for United into a seismic one, after earlier confirming Cristiano Ronaldo would leave the club following an acrimonious breakdown of the relationship between the English Premier League team and one of its all-time greats.

United, which is publicly traded on the New York Stock Exchange, said that it was "commencing a process to explore strategic alternatives for the club" and had engaged the Raine Group to advise United on a sale.

"As part of this process," the

club added, "the Board will consider all strategic alternatives, including new investment into the club, a sale, or other transactions involving the company."

Though United's market capitalization is currently \$2.45 billion, the club would be expected to fetch much more considering the recent Chelsea sale for around \$5.3 billion, United's status in global sports, its place in the money-spinning Premier League, and the sprawling commercial empire it has built over the past three decades.

The apparent end of the Glazer era coinciding with Ronaldo's exit is fitting since he was the player who defined the most successful years of their tenure. From 2005 to 2008, the club won three straight Premier League titles and the Champions League.

Ronaldo's return last summer was branded as an emotional homecoming for one of the club's favorite sons. His farewell was far less glorious.

United said that Ronaldo's departure by mutual consent was effective immediately, leaving the 37-year-old without a club while he competes at the World Cup with the Portuguese national team. "The club thanks him for his immense contribution across two spells at Old Trafford," the statement read.



Cristiano Ronaldo

HANNAH MCKAY/REUTERS

LINDSEY PARIBY/AGENCE FRANCE PRESSE/GETTY IMAGES



SCOTT POLLACK

JASON GAY

It's a Journal Tradition: 22 More Rules For Thanksgiving Football



Doha, Qatar

I am at the 2022 World Cup for the Journal—I'm writing, not playing, don't be silly—which means I am missing my family's Thanksgiving dinner and Thanksgiving touch football game. If you think this choice has landed me some hot water, all I have to say is: You aren't wrong.

Upon my return to the States, it's possible I am going to need to enlist in a new family, so if your family is taking applications for Thanksgiving 2023, let me know.

Of course, it's also possible a Thanksgiving without me will be my family's best Thanksgiving ever. My family won't miss me one bit—in fact, the whole experience will be twice as pleasant, and they'll collectively chip in to buy me a ticket out of town every year.

But just because I'm not around to ruin my family's holiday, doesn't mean I can't do my best to ruin yours.

Without further ado, this year's Rules of Thanksgiving Family Touch Football, now in its 12th season:

1 Important: This game isn't just the Thanksgiving Family Touch Football Game. This is also a tryout to quarterback the New York Jets on Sunday.

2 Of course, you could say that every year.

3 There are at least three people playing in your game who know that playing touch football is a terrible idea for their aging bodies, but it's too late to back out now.

4 My editor thinks I need a World Cup angle in this year's

edition, and he's probably right. Soccer fever is upon us—at least as much soccer fever we can manage until there's a half-decent Thursday Night Football Game—and it's likely you'll have a relative who suggests playing Family Soccer instead of Thanksgiving Touch Football. Let me be clear: The only correct response is to politely ask this person to permanently leave your family.

5 There's also going to be a family member who will suggest replacing family football with a family pickleball tournament. I've thought long and hard about this, about the growing phenomenon of pickleball, how much I've personally enjoyed playing pickleball, and how many family members I know play it, and also, importantly, how pickleball, like touch football, can be played with a bourbon in one hand. After much consideration, I've reached the following conclusion about replacing football with Thanksgiving pickleball: No, absolutely not.

6 Of course, if you know pickleballers, they don't take no for an answer. This is why they are in a sweaty war with popped-collar tennis snobs. Pickleballers don't

like being told where and when they can play pickleball, and pretty soon, you're going to hear that tell-tale *donk-donk-donk* that sounds like bears fighting with Tupperware, and you'll look out the kitchen window...and there will be a full-on pickleball game in the driveway.

7 Don't begin any on-field conversations with *Twitter*, *FTX*, *My fantasy team* or the *Ohio State-Michigan game*.

8 The game hasn't really started until a dog no one has ever seen before is running around the field and refuses to leave. This dog has one eye and answers to Roscoe. Roscoe also loves turkey and intends to stay for dinner.

9 Heads up: To begin the third quarter, Jim Irsay will replace your father with Jeff Saturday.

10 Also, by game's end, Bob Iger is coming back to replace you.

11 There may be a little chatter at your Thanksgiving about the scramble to find Taylor Swift tickets—sad tales of rejected attempts and crashed computers.

There will be one relative who will be extremely quiet during this discussion. This relative has 12 Taylor Swift tickets, and you should hold them hostage in the garage until they give you two.

12 I bet you have someone in your game who likes to use a lot of fancy football lingo ("RPO," "shell defense," "jet sweeps"). This person is almost always terrible at football, and quite possibly works for the Las Vegas Raiders.

13 Very specific rule: If your name is Jesse Gay, and you are 9 years old, you need to wear a collared shirt with nice pants to Thanksgiving dinner—that's that, buddy. And Jesse: Your Baltimore Ravens jersey isn't a collared shirt.

14 If your neighbor already has an inflatable Santa in his front yard, you may tackle this Santa. Ditto the Halloween pumpkin, if it's still out there.

15 Sure, Mom will let you try to play quarterback, but you're going to be on a very short leash. As always, Mom is ruthless and wants to win.

16 This year's halftime show is listening to your cousin try to pronounce "Pulistic."

17 Be thankful for small things: You can drink beer at your Thanksgiving game. Here in Qatar, my Journal colleagues and I are going to play touch football, and then we're going to kick back and crush a 12-pack of Diet Mountain Dew.

18 If you catch yourself talking with a relative about your fantasy football teams, imagine instead that you're talking endlessly about turnip farming, because it's basically that.

19 As always, there's a Lions game on Thanksgiving, this one versus the Bills. The Lions have won three games in a row, and sit on the bubble of the NFC playoff picture. With all due respect to my Detroit friends, who have suffered too much, a Thanksgiving Lions game isn't supposed to have meaning. It's supposed to be background noise to the 90-minute nap you take before Dad starts passing around the cheese and crackers.

20 Ah, who are we kidding? Dad isn't passing around the cheese and crackers. He's eating the cheese and crackers by himself at the kitchen table.

21 When the game is over, please remove all dirty socks and clothing and leave them on the basement clothing rack, also known as the Peloton your parents bought last June.

22 Unlike soccer, Thanksgiving Family Touch Football cannot end in a tie. It may end in an ambulance, but never a tie.

OPINION

Disney Needs 'Chainsaw Bob'



**BUSINESS
WORLD**
By William W.
Jenkins, Jr.

The week-end was an interesting one in the streaming wars. If it's possible for there to be a run on a chief executive officer the way there can be a run on a bank, that's what happened to Disney's Bob Chapek. Disney brought back his predecessor, Bob Iger, partly to deal with giant losses in streaming.

In the New York Times, meanwhile, appeared the longest yet disquisition on the travails of WarnerMedia under previous owner AT&T and new owner Discovery. Though short on analysis and long on narrative, the epic reporting nicely illustrated traditional Hollywood's flailing inability to cope with a technological revolution in how filmed entertainment is distributed.

Disney's many pratfalls under Mr. Chapek have been lovingly recounted, from an unfortunate lawsuit with Scarlett Johansson to the unfortunate Florida squabble over teaching esoteric sexual politics to 8-year-olds. But the underlying issue is bigger than Disney: the industry's seemingly unstoppable habit of pouring out valuable intellectual property to the public over the internet without a proper return.

Mr. Iger presumably brings management genius but it will have to be supplemented with the least magi-

cal and most obvious of fixes, retrenchment and cost-cutting. During the dot-com boom 20 years ago, building a bunch of fiber-optic cable was a great idea until everybody else had the same idea. A similar dynamic is playing out in the streaming wars. Unfortunately, the parallel ends there. Unwatched TV series don't become more watched or watchable after sitting on the shelf for five years in quite the way buried fiber can become useful again when demand catches up.

Disney is lucky the market saw Mr. Iger's return as bullish rather than as a sign of boardroom chaos. Nothing has been solved. Not the unsustainable streaming spend-athon. Not the special nemesis that Amazon and Apple, for which video is a loss leader, pose to old-line Hollywood.

Consolidation is a possible answer. A deal between Disney and Netflix has long been bruited, but then it would have been consolidation for growth, and now it would be consolidation for shrinkage. Even Mr. Iger's charm might have trouble selling such a tie-up to Joe Biden's woke trustbusters.

Here's one of many reasons AT&T's 2016 Time Warner debacle remains relevant. As Sunday's 10,000-word Times piece noted with unusual fairness, the deal was held up for two years by a feckless Trump administration lawsuit while investors soured on the streaming land grab. Most poignant is a

quote from former AT&T Chairman Randall Stephenson, who suggests, as this column has long done, that the worst mistake of many was the choice ultimately to unwind the combination.

Even its sponsors presumably understood at the time its true value would be realized as the industry matured and today's shakeout began.

The streaming wars may be about to enter their shoot-the-wounded phase.

Bundling streaming services with wireless and fixed broadband subscriptions is a proven way to reduce customer churn and acquisition costs. HBO Max would be free to remain a supplier of upscale premium content rather than compete with the Netflix deluge. Its Warner studios could keep selling shows to Netflix and other desperate bidders for top dollar rather than hold them back for an in-house streaming affiliate.

So well-understood are these benefits, guess what new owner Discovery has been demanding from AT&T as compensation for the collapse in streaming asset values? Yep. Keep bundling HBO Max with AT&T's resilient telecom products.

This was one plausible streaming future, and its botching is redolent of Disney's troubles today. What

went wrong? When AT&T's board realized it didn't have a management to handle the merged company's opportunities, it got rid of the opportunities rather than find the right management.

Now Mr. Iger gets his own second chance at positioning Disney for the streaming future and one option won't be putting the genie back in the bottle. If anything, with Netflix following Apple and Amazon in nosing around sports rights, the spending frenzy is about to be renewed.

All the combatants are ginning up ad-supported versions of their streaming services. All are cutting costs and raising prices. But adapting to streaming's inherent capacity for destroying value is going to require more. I'm sure MotoGP does quite well selling \$150 subscriptions to its very limited video vault along with all the other ways it makes money from motorcycle racing. To prosper, much bigger content firms will also have to find ways of incorporating streaming into new business models that, you know, actually pay. The oft-mooted comfort slogan "content is king" may be part of the answer, but it isn't the whole answer.

The hunt for a streaming solution will be challenge enough for Disney, which at least has its cable and broadcast outlets, its theme parks, its merchandising operations. For Netflix it's a puzzle that seems solvable only with a merger with a more diversified entertainment, retail or technology company.

BOOKSHELF | By Barbara Spindel

Suspicion and Superstition

The Ruin of All Witches

By Malcolm Gaskill
(Knopf, 305 pages, \$30)

In February 1651, a stream of townspeople in Springfield, Mass., filed into the home of magistrate William Pynchon to report unsettling occurrences. A pudding of offal and oats had spoiled for no reason. A woman experienced agonizing pain shortly before childbirth. A piece of salt beef tongue vanished; a missing set of knives reappeared. Pynchon duly recorded these events in a book of testimony that ran to dozens of pages.

We are fortunate that historian Malcolm Gaskill immersed himself in this remarkable and, until now, largely neglected document. Archived at the New York Public Library, it grounds his enthralling book on a 17th-century witch hunt that, in the author's deft hands, fascinates as much as the more notorious one that gripped Salem decades later.

A brief note at the end of "The Ruin of All Witches: Life and Death in the New World" elucidates Mr. Gaskill's method: painstakingly reconstructing events as they took place to capture the experiences of those involved without using the wisdom of hindsight to explain what was "really" happening. We may know that the early settlers of Springfield lived during the fraught transition from the medieval to the modern world: They, of course, had no such

awareness. "Objective 'reality' must sometimes be played down to point up the subjective quality of experience," writes Mr. Gaskill, a scholar of the history of witchcraft and an emeritus professor at the University of East Anglia. "Only by taking the strange on its own terms can we understand ourselves in time."

Before things get really strange, however, Mr. Gaskill sets the scene with a vivid description of daily life in Springfield. The Puritan settlement was founded in 1636 by Pynchon, a wealthy speculator and fur trader who ruled over the small population, in the author's words, "like a lord of the manor from the Old World." Springfield's inhabitants, mostly English and Welsh migrants of low social status, were busy with labor and chores from dawn to dusk six days a week, with Sundays spent in worship. Pynchon distributed property for homes and farms he had "bought" from the Agawam Indians, and he set each household's tax rate. He also owned the town's general store; residents were given credit and repaid their debts in labor or shares of their crops. For men and women alike, writes the author, it was an existence of "piety and toil."

It was also a breeding ground for bitterness and envy, in no small part because of the difficulty of getting ahead. Colonists were forced to rely upon their Native American trading partners yet feared them; turf conflicts abounded with Dutch settlers and with nearby English settlements. But "even more immediate," the author writes, "were the resentments and recriminations felt toward neighbors with whom they lived cheek by jowl. Distance bred distrust, for sure; but familiarity and proximity nurtured paranoia and spite." In Mr. Gaskill's moody telling, the city on a hill doesn't sound so shining.

Population increase and bad weather heightened competition for resources. And throughout this atmospheric account, with its creeping sense of dread, most of the weather is bad, from "breathhtakingly" and "astomishingly" cold winters that killed livestock to "stifling" summers that withered crops. Amid a deteriorating economic situation, one Hugh Parsons became the target of his neighbors' suspicions. The town's brickmaker, he had arrived in Springfield in 1645, marrying Mary Lewis later that year. He was a taciturn man who occasionally became belligerent. He had acrimonious relationships with many of his neighbors, and before long his marriage was troubled too.

When in 1651 a run of unexplained civic misfortune bedeviled Springfield, Mass., townspeople went looking for a scapegoat.

The settlers who testified to Pynchon were certain that Parsons was behind their spoiled food and missing belongings. Belief in witches—who were usually but not always female—was common, Mr. Gaskill notes: "Far away until they were near, suddenly they were within the town boundary, across the street, leaning on the windowsill, then knocking on the door, full of secret purpose." Parsons, it should be said, was known for "sleeveless errands," showing up at a house for no obvious reason. Because he was a man of few words, his neighbors began to see malevolence in these visits. He didn't help himself by muttering "I will be even with him" when crossed by any of his neighbors.

Eventually the charges escalated beyond bewitched puddings. A townspeople reported being attacked by snakes in the middle of the night, one of which hissed the word "death" in Parsons's voice. Women began having convulsions; infants fell ill and died. "Mortal fear seeped like marsh mist into every home," the author writes. Hugh's increasingly erratic wife, who herself seemed consumed by thoughts of witches and the devil, began publicly speculating that her husband was a witch. After their infant son died and Hugh showed little emotion, the townspeople, Mary included, became convinced he had murdered his son with witchcraft. The unnatural spectacle of a wife accusing her husband in turn brought suspicion onto Mary.

In a neat twist, at the same time that Hugh and Mary Parsons, their hands bound, were sent to Boston to be tried for witchcraft, Pynchon was summoned by the city's authorities as well, to answer the charge of heresy for his recent writings on religion, which argued for a deity more loving than wrathful. Both witchcraft and heresy, Mr. Gaskill notes, were terrors that touched the Puritan soul.

No spoilers here, but the three defendants ended up meeting very different ends. Even as their stories were unfolding, some in New England were pushing for a more liberal faith. A community of freethinkers in Rhode Island didn't put much stock in either heresy or witchcraft. Still, beginning in 1692, more than 200 people in Salem were accused of being witches, with 20 eventually executed. After that, Mr. Gaskill observes, "new anxieties, more material than religious, replaced the old."

Ms. Spindel's book reviews appear in the *Christian Science Monitor*, the *San Francisco Chronicle* and elsewhere.

How Independents Dampened the Red Wave



**POLITICS
& IDEAS**
By William
A. Galston

Midterm elections do little to predict the outcome of the presidential elections that follow them. Ronald Reagan, Bill Clinton and Barack Obama

all suffered significant midterm losses but went on to win re-election—by 18 points in Mr. Reagan's case.

But midterm elections do uncover changes in the electorate that reshape the terrain of political competition. As I pointed out last week, the 2022 midterms strongly suggest that for the foreseeable future, Democrats will have to build Electoral College majorities without Florida, Ohio or Texas. There are also signs that Democrats must raise their game to retain the supermajorities of Hispanic, African-American, and Asian voters on which they have relied to counterbalance the Republicans' large edge among white voters without college degrees.

The erosion of Democratic support among younger Hispanics and African-Americans suggests that past Democratic accomplishments for these groups are producing declining electoral results, which means that appeals to these groups must be more oriented toward the future. While it is too early to pinpoint the cause of declining Asian support for Democrats, anecdotal evidence suggests that perceptions of Democratic weakness on crime and ambivalence about achievement-based admissions to se-

lective high schools and universities are eroding the party's standing in this rapidly growing group.

There are warning signs as well for Republicans, who underperformed stunningly. Mainstream conservatives did well, but most of the swing-state senatorial and gubernatorial candidates backed by Donald Trump went down. The voters who made the difference regarded these candidates' positions on key issues as extreme and were more concerned about addressing current problems than about relitigating the 2020 presidential election.

The results of this year's election challenged several long-held assumptions. Midterms are said to be referendums on the incumbent president. But 2022 turned out to be not one referendum but three—on Joe Biden, Donald Trump, and the Supreme Court. While all three lost, public disapproval of Trump Republicans and of the *Dobbs* decision, which overturned *Roe v. Wade*, muted the effects of public discontent with Mr. Biden's performance on inflation, crime and immigration.

Since 1992, when James Carville's "It's the economy, stupid!" became the Clinton campaign's mantra and a staple of political commentary, pundits have assumed that economic discontent spells doom for the incumbent party. If the 2022 midterms had gone badly for Democrats, a faction of Democrats were poised to argue that the party's campaign focus on abortion and threats to democracy was a strategic mistake. Instead, we have

been reminded of a saying much older than Mr. Carville's: Man does not live by bread alone. When voters care about a range of issues, it can be sound political practice to go on offense where you are strong while playing defense in areas of weakness.

Although about a third of the electorate now identifies as independent, political scientists have found that most of these voters lean toward one of the major parties and that the behavior of these "leaners" is much the same

American politics would improve if both parties courted swing voters more directly.

as that of voters who identify as Democrat or Republican. But this year, independents broke ranks to oppose Trump-backed Republicans, while nearly all Republican identifiers backed them. In Georgia, for example, Republican Gov. Brian Kemp received 49% of the independent vote in his successful re-election campaign, while Herschel Walker received only 42% in the first round of his challenge to incumbent Democratic Sen. Raphael Warnock. In Ohio, Republican senatorial candidate J.D. Vance split independent voters with Tim Ryan, while Republican Gov. Mike DeWine carried them by 25 points.

Nationwide, the preferences of independents go a long way toward explaining

Republicans' mediocre performance in 2022. In 2006, when Democrats retook the House after 12 years in the minority, they won independents by 18 points. In 2010 Republicans took it back, carrying independents by 19 points. In 2014 Republicans expanded their House majority while winning 54% of independent votes. In 2018 Democrats returned the favor, winning 54% of this vote to regain control of the House. In all these cases, independents turned strongly against the incumbent president's party.

But this year, Democrats prevailed among independents by 2 points in the exit polls and 3 points in the AP VoteCast survey, even though independents disapproved of Mr. Biden's performance as president. Their opposition to Trump Republican candidates and the abortion decision was strong enough to neutralize their traditional preference for the out-party in midterm elections, giving Republicans only a tiny House majority and leaving them with a Senate minority.

The results of the 2022 midterm election offer a lesson for both political parties: Despite the intensifying partisan polarization of the past two decades, swing voters still exist, and they pay attention to parties' selection of candidates and issues. Mobilization of the party faithful is necessary but not sufficient; persuasion of voters who see the strengths and weaknesses of each side is essential. Our politics would improve if both parties made their appeals to a wider range of voters.

My First Thanksgiving Turkey Shoot

By Faith Bottum

I shot a turkey once. I was 10, visiting friends of my parents in the Black Hills, and they assumed, as South Dakotans do, that a young girl had been hunting before. The adults handed me a 20-gauge shotgun and pointed toward the flock of wild birds, their awkward wings beating to speed their scramble down the hill and away from us. Wondering if I could shoot a living thing, I aimed the gun and shot.

I hit a bird, killing it instantly, and the grown-ups all cheered. I felt . . . actually, I didn't know how I felt. Looking back, I think I was overwhelmed by the crash of emotions in wild conflict: joy and horror, pride and shame,

elation and panic. As we hiked back through the woods, there in the fall turkey-hunting season, I cried a little, as secretly as I could, unable to fathom what I felt.

Three days later, after aging and brining the bird, we had my turkey for Thanksgiving dinner. It was good—

At 10, I didn't know how to feel about killing my dinner.

firmer than the farm-raised turkeys in the frozen bins at the supermarket, but also less dry and much more flavorful: a gamey, meatier, wilder taste.

I've fished since then, and

I have no reservations about cooking up meat that my friends have hunted. I also don't have any problem with guns. I like shooting at the local gun range or plinking at tin cans on fence posts at a nearby ranch. Sometimes there isn't much else to do in a small South Dakota town.

But that first kill was different, exciting and terrifying, and time hasn't dulled the memory's sharp edges. The hard snap of the gun against my shoulder, the delayed sound of the shotgun shell, the almost slow motion of the feathers flying off the bird and its tumble down to the ground—all that, and the irreconcilable feelings on the walk home, remains with a clarity that little else in my life has.

On the Thanksgiving table there were dishes of stuffing and relish. Sweet potatoes in their papery skins. Burst rubies of cranberries. Bread and salad. Brussels sprouts fried with hazelnuts. Waiting on the sideboard were a pumpkin pie and a baked dish of the fall's last apples from the yard. And at the center was the bird. My bird.

My mother lit the candles as family and friends found their chairs. During grace, our heads bowed, I wondered how I could eat the turkey. But in the end, to borrow from the poet Galway Kinnell, I ate as I had killed: with wonder.

Ms. Bottum is an assistant editorial features editor at the *Journal*.

OPINION

REVIEW & OUTLOOK

The Desolate Wilderness

Here beginneth the chronicle of those memorable circumstances of the year 1620, as recorded by Nathaniel Morton, keeper of the records of Plymouth Colony, based on the account of William Bradford, sometime governor thereof:

So they left that goodly and pleasant city of Leyden, which had been their resting-place for above eleven years, but they knew that they were pilgrims and strangers here below, and looked not much on these things, but lifted up their eyes to Heaven, their dearest country, where God hath prepared for them a city (Heb. XI, 16), and therein quieted their spirits.

When they came to Delfs-Haven they found the ship and all things ready, and such of their friends as could not come with them followed after them, and sundry came from Amsterdam to see them shipt, and to take their leaves of them. One night was spent with little sleep with the most, but with friendly entertainment and Christian discourse, and other real expressions of true Christian love.

The next day they went on board, and their friends with them, where truly doleful was the sight of that sad and mournful parting, to hear what sighs and sobs and prayers did sound amongst them; what tears did gush from every eye, and pithy speeches pierced each other's heart, that sundry of the Dutch strangers that stood on the Key as spectators could not refrain from tears. But the tide (which stays for no man) calling them away, that were thus loath



to depart, their Reverend Pastor, falling down on his knees, and they all with him, with watery cheeks commended them with the most fervent prayers unto the Lord and His blessing; and then with mutual embraces and many tears they took their leaves one of another, which proved to be the last leave to many of them.

Being now passed the vast ocean, and a sea of troubles before them in expectations, they had now no friends to welcome them, no inns to entertain or refresh them, no houses, or much less towns, to repair unto to seek for succour; and for the season it was winter, and they that know the winters of the country know them to be sharp and violent, subject to cruel and fierce storms, dangerous to travel to known places, much more to search unknown coasts.

Besides, what could they see but a hideous and desolate wilderness, full of wilde beasts and wilde men? and what multitudes of them there were, they then knew not: for which way soever they turned their eyes (save upward to Heaven) they could have but little solace or content in respect of any outward object; for summer being ended, all things stand in appearance with a weatherbeaten face, and the whole country, full of woods and thickets, represented a wild and savage hew.

If they looked behind them, there was a mighty ocean which they had passed, and was now as a main bar or gulph to separate them from all the civil parts of the world.

And the Fair Land

Any one whose labors take him into the far reaches of the country, as ours lately have done, is bound to mark how the years have made the land grow fruitful.

This is indeed a big country, a rich country, in a way no array of figures can measure and so in a way past belief of those who have not seen it. Even those who journey through its Northeastern complex, into the Southern lands, across the central plains and to its Western slopes can only glimpse a measure of the bounty of America.

And a traveler cannot but be struck on his journey by the thought that this country, one day, can be even greater. America, though many know it not, is one of the great underdeveloped countries of the world; what it reaches for exceeds by far what it has grasped.

So the visitor returns thankful for much of what he has seen, and, in spite of everything, an optimist about what his country might be. Yet the visitor, if he is to make an honest report, must also note the air of unease that hangs everywhere.

For the traveler, as travelers have been always, is as much questioned as questioning. And for all the abundance he sees, he finds the questions put to him ask where men may repair for succor from the troubles that beset them.

His countrymen cannot forget the savage face of war. Too often they have been asked to fight in strange and distant places, for no clear purpose they could see and for no accomplishment they can measure. Their spirits are not quieted by the thought that the good and pleasant bounty that surrounds them can be destroyed in an instant by a single bomb. Yet they find no escape, for their survival and comfort now depend on unpredictable strangers in far-off corners of the globe.

How can they turn from melancholy when at home they see young arrayed against old, black against white, neighbor against neighbor, so that they stand in peril of social discord. Or not

despair when they see that the cities and countryside are in need of repair, yet find themselves threatened by scarcities of the resources that sustain their way of life. Or when, in the face of these challenges, they turn for leadership to men in high places—only to find those men as frail as any others.

So sometimes the traveler is asked whence will come their succor. What is to preserve their abundance, or even their civility? How can they pass on to their children a nation as strong and free as the one they inherited from their forefathers? How is their country to endure these cruel storms that beset it from without and from within?

Of course the stranger cannot quiet their spirits. For it is true that everywhere men turn their eyes today much of the world has a truly wild and savage hue. No man, if he be truthful, can say that the specter of war is banished. Nor can he say that when men or communities are put upon their own resources they are sure of solace; nor be sure that men of diverse kinds and diverse views can live peaceably together in a time of troubles.

But we can all remind ourselves that the richness of this country was not born in the resources of the earth, though they be plentiful, but in the men that took its measure. For that reminder is everywhere—in the cities, towns, farms, roads, factories, homes, hospitals, schools that spread everywhere over that wilderness.

We can remind ourselves that for all our social discord we yet remain the longest enduring society of free men governing themselves without benefit of kings or dictators. Being so, we are the marvel and the mystery of the world, for that enduring liberty is no less a blessing than the abundance of the earth.

And we might remind ourselves also, that if those men setting out from Delftshaven had been daunted by the troubles they saw around them, then we could not this autumn be thankful for a fair land.

These editorials have appeared annually since 1961.

Targeting Justice Alito

The political campaign against the Supreme Court continues, relentlessly, and the latest example is a claim that eight years ago Justice Samuel Alito leaked word ahead of time about a Supreme Court ruling. We'd ignore this except that Democrats and the anti-Court media are treating it like a capital offense.

To call this story uncorroborated is to overstate its credibility. Rob Schenck, a pastor who has since turned against his former evangelical allies, claims he heard from a woman who heard from Justice Alito at a dinner party in 2014 about the pending opinion in *Burwell v. Hobby Lobby*, a religious liberty case. Justice Alito denies leaking anything, and the woman denies hearing about it.

But this summer, after the *Dobbs* abortion decision, Mr. Schenck decided that what he claims to have learned in advance of the *Hobby Lobby* decision should be shared with the world. He wrote to Chief Justice John Roberts with concern about the gossip. When the Chief didn't respond to Mr. Schenck's satisfaction, he turned to the media, and then Democratic Sen. Sheldon Whitehouse piled on.

Mr. Whitehouse is famous for his tenacious digging into Justice Brett Kavanaugh's high-school yearbook. He and Georgia Rep. Hank Johnson have written to the Chief demanding that the Court investigate this al-

leged ethical breach or they will do it.

This is another case of political intimidation in the service of undermining public confidence in the Court. The accusation is second-hand hearsay from a politically motivated source. The woman and her late husband did attend a dinner party at the home of Justice Alito and

his wife after donating money to the Supreme Court Historical Society. But that's the extent of any corroboration.

Add this to the list of attacks on all of the center-right Justices: the attempts to disqualify Clarence Thomas because his wife believed claims about 2020 election fraud and asked the White House chief of staff to do something; the claim that Amy Coney Barrett puts her Catholic faith above the law; the claim that Neil Gorsuch wouldn't wear a Covid mask, though Justice Sonia Sotomayor supposedly asked him to; and the smears against Justice Kavanaugh during his confirmation hearings.

The overriding charge is that the Court has ethical problems that require fixing, but it all adds up to nothing. The only real ethical violation was the leak of Justice Alito's draft opinion in *Dobbs* by a still-unknown leaker. The ethics concerns are a smokescreen. The real reason Democrats are upset is because they've lost the Court as a backstop legislature for policies they can't get through Congress.

The latest second-hand hearsay attempt to discredit the Court.

LETTERS TO THE EDITOR

On Chris DeMuth's National Conservatism

Usually sure-footed, Christopher DeMuth slips into error when he writes that "American conservatism became unduly attached to libertarian individualism, unfettered markets and free trade as ends in themselves—which helped set the stage for anything-goes cultural corruption." ("America's Right Confronts the 21st Century," op-ed, Nov. 19).

First, far from being unfettered, free markets teem with the time-tested and honest fetters of commercial competition. This competition regulates firm behavior far better than do government bureaucracies, which, when they aren't restricting firms from serving consumers better, are protecting firms from the competition that alone keeps them efficient and responsive, not to government, but to consumers and suppliers.

Second, corruption is fueled not by free trade but protectionism. Under free trade, government has no favors to sell to firms that crave relief from having to satisfy consumers. Firms thus compete for profits honestly rather than lobby for rents mendaciously. Because protectionist interventions must be sold to the public as patriotic and well-intentioned rather than what they really are—privileges for the few at the larger expense of the many—protectionism contributes to cultural rot as well.

PROF. DONALD J. BOUDREAU
Mercatus Center, George Mason U.
Fairfax, Va.

Mr. DeMuth's latest tome defending and defining national conservatism remains less than compelling. Politics concerns man's relation to the state. The Founders and later the framers sought to minimize that relationship, believing that the primary purpose of the state is to protect our liberty, freeing us to pursue happiness. Mr. DeMuth suggests that such liberty "set the stage for anything-goes cultural corruption." It turns out that the complexities of an evolving society may be less "pristine than the one we imagine the Founders bequeathed to us." You think? Mr. DeMuth views our contemporary society from 35,000 feet, offering sweeping national-conservative critiques but precious little in the way of national-conservative solutions.

Mr. DeMuth has two approaches in his program. First, after a convoluted discussion of equality, he suggests we "accept some contemporary claims and reject others." Thanks so much. Second, he offers a few policy pointers: protect our borders, drop race from policy discussions, balance the budget and redirect welfare spending to infrastructure projects. Hardly a rallying call for a new approach to the 21st century. At least he left out the national conservatives' infatuation with Europe's budding authoritarian leaders.

EDWARD H. CRANE
President emeritus, Cato Institute
Falls Church, Va.

Is Marketing Really to Blame for Oxy Crisis?

In his review of the book "Complicit" (Nov. 17), Julian Baggini makes good points about ethical behavior. But blame for oxycodone's horrors should go way beyond Purdue Pharma. The company deserves some of the criticism, but the sales departments of every drug company and practically every business tells fibs, emphasizing the positive and playing down the negative. As a physician, I rarely read drug-company blurbs, and my guess is that very few physicians differed. Yet they went wild prescribing narcotics.

Part of the reason was a change in paradigm. When I was trained in the 1960s, we were taught to be very careful prescribing addictive drugs such as Valium and especially narcotics. Suddenly, that was reversed. A number of articles described the suffering of cancer patients unable to

find pain relief. Almost overnight, patients were entering my office on narcotics for ailments that I would have considered trivial.

I am certain this didn't occur solely because of Purdue's ability to promote oxycodone. Pain clinics were opening up everywhere, with doctors receiving exorbitant cash payments for short visits. A very good documentary, "The Pharmacist," tells the story of Dan Schneider, who lost his son to drug violence, and his mission to close down a local "pain" clinic. He took videos of lines at the clinic at 11 p.m., and even at 1 a.m. He showed the videos to authorities to no avail. Complicity wasn't the problem. It was lazy bureaucrats, policemen, FBI and DEA all providing excuse after excuse for why they couldn't shut down the clinic.

SIMON SOBO, M.D.
Newtown, Conn.

Taxes Are High, but New Jersey Works for Me

It is embarrassing to live in the state that the editorial board deemed the biggest "loser" ("State Tax Winners and Losers," Review & Outlook, Nov. 8). This is only one of many insults that we New Jersey residents suffer on a regular basis from the

outside world. So, I say to myself, is something wrong with me, that I really like living in New Jersey?

I have had friends and acquaintances who have determined where to live based on taxes. It hasn't always turned out well. That isn't to say I like paying high taxes any more than the next person.

But to live in a small town where your voice can be heard, to live in a safe community without needing to be gated—that means something. To know that a short ride away you can enjoy the best of a big city while avoiding the worst, or find rolling countryside and seaside beaches, to have a moderate climate, to be very near to an airport—all that means more to me than saving on the taxes we pay. Maybe those taxes themselves help produce the feeling that, for me at least, I like living in New Jersey.

MEL VIGMAN
Summit, N.J.

Golden Rule Works Just Fine

I'm sorry to hear that a letter writer didn't learn how to live in a multicultural and racially mixed society during his time at Swarthmore College ("Lack of Racial Diversity Stunted My Education," Letters, Nov. 17). I'd like to help him out. The way you live in such a society is to be kind, ethical, stay true to your word and treat people much as you would like to be treated. Turns out this works in every society, and no one need go to college to learn it.

JACQUES VOORHEES
Keystone, Colo.

Pelosi, Patriot and Leader

Thank you for giving Speaker Pelosi her due, and for not once referring to her merely as "Nancy" ("Nancy Pelosi's Lesson for the GOP House," Review & Outlook, Nov. 18). One quibble: She wasn't inclined, initially, to start impeachment proceedings against President Trump the first time, but in this case yielded to her progressive caucus. She's a shrewd decision maker and a patriot, and we all should respect that kind of leadership.

NICOLE KNOBLOCH
Arlington, Mass.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"Perhaps we overestimated the demand for dental hygiene."

OPINION

Regulate Crypto or It'll Take Down the Economy

By Elizabeth Warren

The dramatic collapse of Sam Bankman-Fried's crypto exchange, FTX, may have come as a shock to the Miami Heat, Tom Brady, Twitter bots and financial-news talking heads. But crypto is following a well-worn path of financial innovations, such as subprime mortgages and credit-default swaps, that began with dazzling rewards and ended with crippling losses.

Proponents say crypto holds great promise for making the financial system more efficient and inclusive. Maybe. But we've heard that story before. History is littered with financial schemes promoted by criminals and

Financial innovators always claim they don't need oversight. They're always proved wrong.

charlatans who claimed that the latest and greatest tools had evolved beyond the need for regulation or a cop on the beat. During the 2008 collapse and every financial crisis before that, these claims have proved dangerously delusional. Crypto is no exception.

FTX's implosion should be a wake-up call. Regulators must enforce the law before more people get cheated, and Congress must plug the remaining holes in our regulatory struc-

ture—before the next crypto catastrophe takes down our economy.

Crypto executives who break the law are just like any other crooks, and the Justice Department should use its full range of tools, including criminal penalties, against them. If Mr. Bankman-Fried and FTX executives committed fraud, then federal prosecutors should send them to prison. But FTX's fall, like the collapse of Lehman Brothers before it, isn't limited to one out-of-control company.

That means the Securities and Exchange Commission needs to suit up as well. Market manipulation, theft, insider trading—the SEC has decades of experience in rulemaking and monitoring retail investment and knows how to root out fraud and hold cheaters accountable. The longstanding legal test defining securities gives the agency the power—but power is worthless if the cop on the beat won't use it. The SEC has brought some enforcement actions related to fraudulent and unregistered crypto offerings over the past few years, but it has fallen far behind as the crypto industry has drawn in millions of new investors.

The Treasury Department has also moved, using existing law to impose sanctions on two crypto mixing services, Blender and Tornado Cash, which were used to launder billions of dollars worth of virtual currencies, including hundreds of millions stolen by hackers. Crypto lobbyists howled, but Treasury was right to use its authority to force these entities to comply with the law. A few cases are good, but Justice, SEC and Treasury are the



BARBARA KELLEY

frontline enforcers, and they need to act like it every single day. Federal agencies should use their expansive authority to crack down hard on crypto fraud. Congress should back up these law-enforcement agencies and financial regulators with more funding. Many crypto executives have armies of lawyers, PR advisers and paid celebrity supporters, and they seem to think they can escape the laws that apply to everyone else. If the financial cops are going to take on crypto criminals, they need adequate resources to fight and win.

Crypto, like the subprime mortgages of 2008 and the penny stocks of a century earlier, flourishes in the regulatory gaps. Crypto executives should

never be allowed to create tokens to prop up their insolvent companies. Every crypto exchange should be barred from giving great deals to insiders and bad deals to customers. All crypto platforms should be required to implement the same kinds of cybersecurity and operations procedures that other financial companies must use. The SEC already has authority to do this across most of the crypto market, and where there is uncertainty about that, Congress should act quickly to erase any doubts.

Crypto has created new opportunities for money laundering. Terrorists, drug dealers, ransomware criminals, tax cheats and outlaw nations can hide their illegal activities by trading billions

of dollars of cryptocurrencies with complete anonymity. The U.S., along with other nations, requires banks to comply with know-your-customer rules and track large transfers of money to prevent money laundering. This requirement extends to all other financial transactions, including dealings with stockbrokers, purchases on credit cards, transfers on Venmo and even use of Western Union to send money to relatives in other countries. When banks violate the rules, they deserve sanctions, but many crypto transactions occur outside the reach of current know-your-customer rules. Congress should stitch up that loophole.

Finally, crypto-mining firms polluting and straining power grids should be required to disclose their emissions and energy consumption to the public. The Energy Department has the tools to require these disclosures, but if it's unwilling to use them, Congress should step in.

Many say crypto is a scam. Crypto advocates tout the technology's world-transforming potential and argue that naysayers just don't understand. Either way, it is past time for crypto to be subjected to the same basic rules as other financial activities. If the crypto industry can succeed without stealing from investors or providing money-laundering services to terrorists and drug dealers, that's great—but we won't know that until the loopholes are closed and the laws are rigorously enforced.

Ms. Warren, a Democrat, is a U.S. senator from Massachusetts.

School Choice Made Big Gains During the Covid Pandemic



UPWARD MOBILITY
By Jason L. Riley

Parents took advantage of education options like never before during the pandemic, to the point where K-12 schooling in the years ahead could look a lot different than it did pre-Covid.

According to a new report from the National Alliance for Public Charter Schools, enrollment grew 7% at charters between 2019 and 2022, while falling 3.5%, or almost 1.5 million, at traditional public schools over the same period. Catholic schools likewise have seen a boost in attendance, with nationwide enrollment this year up 3.8%, the largest increase in more than two decades.

In addition to fleeing traditional public schools for charter and parochial alternatives, thousands of families responded to the Covid crisis by creating "learning pods" or "micro-schools" for their children. This involved bringing together small groups of students who were taught by hired instructors or parent volunteers. The Center on Reinventing Public Educa-

tion, a research organization based at Arizona State University, has been studying the phenomenon, and its findings are revealing.

In a report released earlier this year, CRPE noted that 58% of the families who created pods didn't just prefer them to the remote-learning and hybrid-learning options during the pandemic. They also preferred them to their experience with traditional public schools before the pandemic. Nonwhite families were twice as likely as white families to say the pod improved their child's overall happiness and attitude toward school, and they trusted the pod instructors more than they did the pre-pandemic teachers in traditional public schools.

During a recent panel discussion about the popularity of pods among black families, Lakisha Young of Oakland Reach, a parent-advocacy group, said the movement was born of necessity. "We saw our [school] system not responding to our families and our communities." Another panelist, Maxine McKinney de Royston, a professor at the University of Wisconsin who co-founded a micro-school, said the pandemic just "exacer-

ated the dissatisfaction that black parents already had" with their schools. "A lot of these hubs and pods are still going because once people got a taste that there's another possibility, they want to stay with that."

Nearly 6 in 10 parents preferred learning pods to remote learning and traditional public schools.

There is a long tradition in America of blacks taking education matters into their own hands. Booker T. Washington worked with the philanthropist Julius Rosenwald in the early 20th century to build thousands of quality schools for southern blacks. Black activists in California opened schools in poor sections of Oakland and Los Angeles in the 1960s. Marva Collins started a school for black kids in Chicago in the 1970s, and Geoffrey Canada did so in Harlem in the 1990s.

Pod learning, like charter schools,

has been criticized for contributing to school segregation. A public-school official in Atlanta wrote in the New York Times that pods "exacerbate inequities, racial segregation and the opportunity gap within schools." But where is the evidence that black children need to sit next to white children to learn? Some of the highest-performing public schools in the U.S. are public charter schools with student bodies that are overwhelmingly black and Latino. If racial diversity is so essential to classroom learning, how do children in countries with essentially no such diversity, such as Japan and South Korea, regularly outperform American students on international tests?

In any other use of the word, these pods and charter schools wouldn't be considered segregated to begin with because nothing besides personal preference is at play. If you go to the symphony and see few black people in attendance, you don't conclude that the concert hall is segregated. But if someone starts a charter school or a pod in a heavily black neighborhood and nonblacks don't enroll, school-choice oppo-

nents would have you believe that something nefarious is afoot.

Black parents who embrace education alternatives understand that a school's quality doesn't depend on the racial makeup of the classroom. For today's Democratic Party, however, racial balance is the highest priority, even if it means keeping low-income minorities trapped in violent, low-performing schools with the least-experienced teachers at the head of the classroom.

The Biden administration and progressive lawmakers, with the approval of such activist organizations as the NAACP, have spent the past two years trying to undermine charter-school expansion. It's no coincidence that the teachers unions, which oppose school choice, are among the largest donors to the NAACP, members of the Congressional Black Caucus and Democrats in general.

Don't be surprised if the political attacks on learning pods not only continue but escalate. Their popularity, particularly among black parents, won't win them a pass. For protectors of the education status quo, they represent a threat.

How Ukraine Can Make the Most of the Winter Lull

By Mark T. Kimmitt

Winter is coming, which will make it difficult for Ukraine to continue its advances against Russia. The next several months—known by historians as *rasputitsa*, or disagreeable travel—have been the great enemy of Eurasian armies for centuries. Soldiers call this period "General Mud," shorthand for the harsh environmental conditions that brought Russia's French and German invaders to their knees in 1812 and 1943, respectively.

But the harsh winter should be seen as a time to make preparations for the spring, not to pause all operations. Ukraine should continue its long-range attacks against vulnerable Russia ammunition depots, command centers and supply lines. With help from the North Atlantic Treaty Organization, Kyiv should also begin a deliberate effort to reconstitute its military strength in time for the 2023 campaign season.

The various preparations that Ukraine must make are obvious: Harden defensive positions along the current frontlines, integrate replacement troops into units, and issue winter clothing and equipment. This

is the leitmotif of any military after a long campaign, but it would be a missed opportunity to stop there. Ukraine needs a more comprehensive approach, which should accelerate the delivery of the still-vast military stockpiles and training capacity of NATO countries to regenerate its army as its Russian adversary struggles to resupply its troops and incorporate its mobilized reserves.

Under this new strategy, allies shouldn't merely continue to resupply crucial equipment and ammunition, Himars rockets and air-defense assets. They should also conduct operational planning symposia with the Ukrainian military, consisting of workshops on lessons learned in 2022 and operational planning for 2023. NATO can also redouble its efforts to train key leaders and units outside Ukraine to build a second layer of personnel expertise on the operations and repair of Western equipment—and, in anticipation of political decisions, flight training on advanced Western aircraft as well as ground training on more-capable air-defense systems and combat vehicles.

On the battlefield, the West should beef up its support for Ukraine's deep-fires campaign

against supply depots, logistical routes, command centers and second-echelon support units well beyond Russian frontlines. This will obstruct Russia's attempt to regenerate its own combat power even with the arrival of the newly mobilized troops and Iranian drones. These efforts can be complemented with local attacks against Russian forces as opportunities arise. Keeping the Russians concentrated on shepherding their own combat power and preventing their ability to conduct ground operations will be the best assurance of forestalling any Battle of the Bulge-type counter-attack from the east.

These military activities must be supported with a robust diplomatic and information campaign. NATO has demonstrated remarkable unity, but its support can't be taken for granted. Against a backdrop of high inflation, rising fuel costs and slow progress on the ground, leaders can expect to see their countries' public support for the war effort wane if they don't continue to make a persuasive case for why supporting Ukraine is in their interest.

Diplomatic efforts must also continue to isolate Russia from the international community in general, and from arms shipments from such countries as Belarus, North Korea

and Iran in particular. The West should pressure neutral allies, including Saudi Arabia and the United Arab Emirates, to take a firm stand on the war instead of attempting to appease both sides. These diplomatic efforts should continue to punish Vladimir Putin but also begin

Kyiv shouldn't halt all operations as cold nears. It should rebuild, with NATO help, for spring offensives.

to establish the foundations for future negotiations—the prospects of which shouldn't be unilaterally dismissed or disparaged, given that the chances of Russian defeat or withdrawal from Ukraine, including Crimea, are far from assured.

The Russian military, operating both inside and outside Ukraine, is likely to continue its deliberate bombing campaign against cities and critical infrastructure. But its ground forces appear unable to do anything more than conduct local counterattacks, harden its defense lines, and begin the integration of mobilized reservists.

To write a campaign plan, mili-

tary planners and logisticians need hundreds of pages for the necessary instructions and timelines. Commanders, however, are expected to provide their goal in as few words as possible, which serves as a campaign lodestar. Gen. Dwight Eisenhower wrote his intent to defeat Hitler's army very simply: "You will enter the continent of Europe and, in conjunction with other Allied nations, undertake operations aimed at the heart of Germany and the destruction of her armed forces." Mr. Zelensky's intent for this winter should be equally simple: "You will reinforce and regenerate the army in conjunction with NATO to push the Russian army out of Ukraine, accept its surrender or complete its destruction on the battlefield."

Russian forces likely won't be driven back to the preinvasion borders by the end of this year. Nor will Crimea be liberated by then. But with the proper reconstitution, planning and training this winter, in addition to the resumption of Ukraine offensives soon after the spring thaw, those aren't unreasonable goals for 2023.

Mr. Kimmitt, a retired U.S. Army brigadier general, served as assistant secretary of state for political-military affairs, 2008-09.

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Notable & Quotable: Pompeo on Weingarten

Former Secretary of State Mike Pompeo in an interview with *Semafor.com*, Nov. 21:

I get asked "Who's the most dangerous person in the world? Is it Chairman Kim, is it Xi Jinping?" The most dangerous person in the world is Randi Weingarten. It's not a close call. If you ask, "Who's the most likely to take this republic down?" It would be the teacher's unions, and the filth that they're teaching our kids. . . . These are the things that candidates should speak to in a way

that says, "Here's the problem. Here's a proposal for how to solve it. And if given the opportunity, these are the things I will go work on to try and deliver that outcome that fixes that problem." . . . If there's something in the textbook that shouldn't be there, it's okay to identify that and call it out. But that's just openers. . . .

Then the question is, so tell me how it is the case that you're gonna go convince the people of Sedgwick County, Kansas, that they need to identify school board members who are going to push through a curricu-

lum that actually returns to the ideas that made America unique and special.

If our kids don't grow up understanding America is an exceptional nation, we're done. If they think it's an oppressor class and an oppressed class, if they think the 1619 Project, and we were founded on a racist idea—if those are the things people entered the seventh grade deeply embedded in their understanding of America, it's difficult to understand how Xi Jinping's claim that America is in decline won't prove true.

WORLD NEWS

U.S., Chinese Defense Chiefs Meet

Bilateral gathering in Cambodia follows summit between Biden, Xi this month

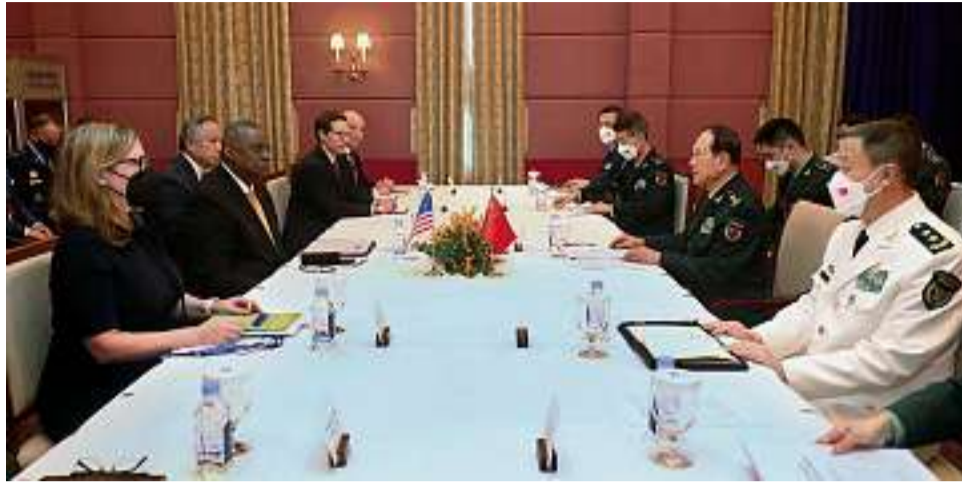
By Raffaele Huang

SINGAPORE—Defense Secretary Lloyd Austin met his Chinese counterpart for the first time in months, the latest sign of thawing ties between the two countries after a rupture in August following a trip to Taiwan by House Speaker Nancy Pelosi.

Mr. Austin and Chinese Defense Minister Wei Fenghe discussed bilateral ties and security matters on the sidelines of a gathering of defense ministers in Cambodia, the Pentagon said Tuesday. The meeting suggested that leaders of the world's two largest economies are engaging again after months of deep freeze.

Following Mrs. Pelosi's visit to Taiwan, a self-governing island that China claims as part of its territory, China said it would cancel or suspend cooperation with the U.S. on eight areas, including several military-to-military dialogue channels.

President Biden and Chinese leader Xi Jinping met this



Defense Secretary Lloyd Austin, second from left, and China's Defense Minister Wei Fenghe, second from right, met Tuesday in Siem Reap, Cambodia, and discussed bilateral ties and security matters.

month at the Group of 20 summit in Bali, Indonesia, the first in-person meeting between the men since Mr. Biden took office nearly two years ago.

On Saturday, Vice President Kamala Harris met with Mr. Xi at another summit in the Thai capital of Bangkok. There, Mr. Xi described his meeting with Mr. Biden as strategic and constructive, adding that he hoped the countries could reduce misunderstanding, said China's Foreign Ministry. Ms. Harris said the U.S. didn't seek con-

frontation and that both sides should cooperate on global issues, the Pentagon said.

In addition to the meetings with Mr. Xi, the U.S. and China have resumed talks on climate change in recent days. Suspending climate talks with the U.S. was among China's eight countermeasures after Mrs. Pelosi's trip.

Ties between the U.S. and China have deteriorated in recent years, as the countries tussle over trade, human rights and technology. Rela-

tions grew even more strained this year after Russia's invasion of Ukraine and reached a nadir after Mrs. Pelosi's visit to Taiwan in August.

Weeks afterward, advisers to Mr. Biden quietly opened back-channel talks with China, paving the way for the summit in Bali.

Although Mr. Xi didn't say so explicitly, Mr. Biden and his team came away from the meeting with the impression that China had no imminent plans to invade Taiwan, The Wall Street Journal has reported.

This month, Mr. Xi approved the dispatching of a delegation of senior policy advisers and business executives to New York to meet with a group of former top U.S. officials.

During the Tuesday meeting between the two countries' defense chiefs, Mr. Austin raised concerns about the activities of China's military, the People's Liberation Army, which he said could increase the risk of accidents, the Pentagon said. He also reiterated U.S. policies on Taiwan and urged China to refrain from further destabilizing the Taiwan Strait, the Pentagon said.

China's Defense Ministry, meanwhile, said Gen. Wei reasserted China's sovereignty claims over Taiwan and warned against U.S. interference in the Taiwan Strait, while emphasizing the importance of maintaining regional security.

Both sides acknowledged the importance of maintaining communication channels, particularly during times of crisis.

As U.S.-China tensions have swelled, Taiwan in August boosted its annual military budget by nearly 13%, the largest such rise in at least 15 years. The island warned it would strike back against military incursions.

Harris Reaffirms Philippine Alliance

By Feliz Solomon

PUERTO PRINCESA, Philippines—Vice President Kamala Harris pledged deeper maritime cooperation with the Philippines and held discussions on the proposed expansion of a military pact between the two countries as Washington seeks to firm up its alliances in Asia.

Ms. Harris's three-day visit to the Southeast Asian country—which closely follows President Biden's trip to the region for a string of summits—builds on U.S. efforts to step up diplomacy as it faces an assertive China. Washington and Beijing are at odds over a range of issues, from Taiwan and trade to China's actions in the South China Sea, that the U.S. says amount to bullying of smaller nations.

Speaking aboard a Philippine coast guard vessel docked at the island of Palawan, Ms. Harris warned against coercion and pledged \$7.5 million in new funding to support the Philippines' maritime law-enforcement agencies. The U.S. has criticized China for building military facilities atop artificial islands in the South China Sea that have helped Beijing assert its expansive claims over the disputed area.

"As an ally, the United States stands with the Philippines in the face of intimidation and coercion in the South China Sea," Ms. Harris said.

China's Foreign Ministry has previously accused the U.S. of trying to sow divisions in the region over the issue.

Defense ties were high on the agenda as Ms. Harris met

Indonesian Rescuers Search Through Rubble as Quake Toll Rises to 268 People



Indonesian rescuers used jackhammers, circular saws and sometimes their bare hands Tuesday to shift the rubble of flattened buildings as they searched for the dead and missing from an earthquake that

killed at least 268 people.

With many missing, some remote areas still unreachable and more than 1,000 people injured in the 5.6 magnitude quake, the death toll was likely to rise.

Hospitals near the epicenter

on the densely populated island of Java were already overwhelmed, and patients hooked up to IV drips lay on stretchers and cots in tents set up outside, awaiting further treatment.

The quake was centered on

the rural, mountainous Cianjur district of 2.5 million people, seen above, where a villager carried the body of his dead son on Tuesday.

Rescue operations were focused on about a dozen loca-

tions in Cianjur, where people are still believed trapped, said Endra Atmawidjaja, the public works and housing spokesperson. "We are racing against time to rescue people."

—Associated Press

The U.S. has prioritized resetting relations with its oldest ally in Asia.

on Monday with Philippine President Ferdinand Marcos Jr. A spokesman for the U.S. Embassy in Manila said the two countries were working to expand the scope of the Enhanced Defense Cooperation Agreement, a 2014 pact that allows the U.S. to upgrade and access military bases in the Philippines.

"The vice president discussed with President Marcos the importance of moving forward on this process and the benefits it will bring to both our countries," said the spokesman, Kanishka Gangopadhyay.

The countries are seeking to add more sites under the pact that currently involves cooperation at five Philippines bases. The new EDCA sites have been identified in consultation with the Philippines and the two sides are working to finalize plans on next steps, Mr. Gangopadhyay said.

"Everything else is secondary, this is really a big deal and a big shift from where the alliance was under the past administration," said Aries Arugay, professor and chair of the department of political science at the University of the Philippines Diliman. "It shows that the U.S. is really eyeing the Philippines as a critical part of its geopolitical strategy in the Indo-Pacific."

Resetting relations with the Philippines, the U.S.'s oldest ally in Asia, has been a priority for the Biden administration. Washington's relationship with Manila frayed under former Philippine President Rodrigo Duterte, who courted closer ties to China amid Western criticism of his brutal war on drugs.

Implementation of EDCA stalled for most of Mr. Duterte's term, though it began to gather pace in his final months in office. Mr. Duterte also threatened to cancel another pact that facilitated visits to the Philippines by U.S. troops and military vessels.

On a trip by U.S. Defense Secretary Lloyd Austin to Manila last year, the Philippines said it would keep the pact, called the Visiting Forces Agreement.

Mr. Marcos assured Ms. Harris that the Philippines was committed to the countries' longstanding friendship.

Dubai Is Pitch Perfect for World Cup Fans on a Budget

By Rory Jones

DUBAI—The Middle East capital of bling isn't hosting the FIFA World Cup, but Dubai is still reaping the benefits of an influx of tourists into the region—its bars are buzzing and its hotels are teeming with soccer fans.

While neighboring Qatar grapples with an epic culture clash and the logistics of running the event, this relatively more liberal city-state is awash with supporters wanting easy access to a beer, cheaper accommodation and a setting more accustomed to Western tourism.

Thousands of fans are basing themselves in Dubai, part of the United Arab Emirates, because airlines are running dozens of daily shuttle flights between the two states, helping ease an accommodation crunch in Qatar.

Other neighbors, including Saudi Arabia, Bahrain and Oman are also taking up some of the slack with flights from their cities, but those are mainly catering to their own residents.

Members of The Barry Horns—a brass band that regularly follows the Wales national soccer team—are staying in Dubai for the team's group matches and flying into Doha where they are booked for shows.

The band, whose name is a homage to former Welsh player Barry Horne, played at a bar on Sunday for the Dubai Welsh Football Supporters Club, which said it was forced to increase the size of the venue to accommodate fans ahead of the team's first game—a draw—against the U.S. on Monday evening.

The Barry Horns thought accommodation was expensive and limited in Qatar, while "the culture over there wasn't quite aligned with the values of the band," said Gareth Evans, trumpeter. "We're just big drinkers," added James Watkins, who plays the trumpet and bass.

Alcohol is available in Qatar, the first country in the Middle East and the first conservative Muslim state to host a World Cup. But it dropped the sale of beer around stadiums in a last-minute change, and Western fans already had the impression alcohol would be hard to come by.

Dubai, where the legal system is also based on Islamic law, has for years invested in hotels, bars and restaurants that appeal to tourists. It loosened rules in recent years about when and how non-Muslims can buy alcohol and lined its beaches with trendy pools and clubs for boozey parties.

The moves are part of a wider push by Dubai and the

Wearing a Rainbow Sparks Harassment

DOHA, Qatar—World Cup fans wearing the rainbow, a symbol of gay pride and rights, have faced harassment in Qatar despite assurances by FIFA officials that everyone would be welcome in the conservative Muslim country during the tournament.

Stadium security asked some Wales fans with rainbow bucket hats, including former soccer player Lauren McAllister, to remove them on Monday evening ahead of the game against the U.S. "We will continue (to) stand up for our values," Ms. McAllister later tweeted with a rainbow emoticon.

At least two Americans were also accosted, including a

journalist who said he was held by stadium security for about half an hour for wearing a shirt emblazoned with a rainbow, though he was eventually allowed to enter.

The soccer tournament, which began this weekend, has faced criticism since Qatar won the right to host it 12 years ago. Fans, players and human-rights advocates allege that Qatar's ban on homosexuality and treatment of migrant workers who helped build stadiums, hotels and roads for the event make the country unfit to welcome over two million fans from around the world.

Qatari organizers and FIFA insisted that traveling LGBT fans would be left alone and pointed to significant labor overhauls over the past decade.

—Stephen Kalin

U.A.E., which includes Abu Dhabi, to boost its standing with foreigners and make it a more attractive place to live to drive economic growth. The changes have helped make Dubai a playground for the ultra wealthy, most recently portrayed in the Netflix television series "Dubai Bling," which chronicles the life of the city's socialites.

Fans pay "for a tent on the beach over there or you pay

\$240 for a five-star hotel here a night," American Eddy Ilano, 62, said at Dubai's Al Maktoum airport, referring to the mixed reviews of accommodation in Qatar.

He is staying in a hotel with friends on Dubai's palm-shaped island and, together, they have planned 26 flights across their entire two-week holiday, including the journey from California, to see five games in Qatar and to visit

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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S&P 4003.58 ▲ 1.36% S&P FIN ▲ 1.03% S&P IT ▲ 1.93% DJ TRANS ▲ 0.27% WSJ \$IDX ▼ 0.55% 2-YR. TREAS. yield 4.517% NIKKEI 28115.74 ▲ 0.61% See more at WSJ.com/Markets

HP Cuts Staff on Weak PC Demand

Up to 10% of 61,000 person workforce faces layoffs in bid to save \$1.4 billion

By DENNY JACOB

HP Inc. said it would slash up to about 10% of its workforce with a sharp slump in demand for personal computers expected to stretch into next year.

HP, which has around 61,000 employees, had a payroll of about 51,000 people a year ago, on Tuesday said it would part with 4,000 to

6,000 employees as part of a transformation plan that aims to achieve \$1.4 billion in annualized cost savings. The cuts and other changes will come with about \$1 billion in upfront costs, HP said.

"We think that at this point it's prudent not to assume that the market will turn during 2023," Chief Executive Enrique Lores said.

HP announced the layoffs as it reported an 11% drop in quarterly revenue to \$14.8 billion. The company also posted a small net loss for the period, largely reflecting costs from a legal settlement.

A day earlier, HP rival Dell Technologies Inc. also suggested the lull in PC buying this year would continue after a surge early in the pandemic.

Dell late Monday reported a 6% drop in overall revenue for the company's third quarter, including a 17% drop in the unit that includes sales of laptops and desktops to consumers and commercial clients.

Dell expects revenue from PC sales to fall at an even steeper rate in the fourth quarter from a year earlier, Chief Financial Officer Thomas Sweet said on a Monday earnings call.

"We expect ongoing global macroeconomic factors, including slowing economic growth, inflation, rising interest rates and currency pressure, to weigh on our customers," he said.

The results come a month after data showed that PC demand in October slid at its fastest pace in more than two decades.

The PC market is slowing down after an acceleration of computer sales during the pandemic, when workers equipped their home offices and students required laptops for remote learning. Pan-

demic-era restrictions and stimulus payments boosted spending on big-ticket items, while travel and entertainment expenses dwindled.

Now, consumers are changing their spending habits away from goods as they juggle concerns about inflation and the economy.

Continuing supply-chain constraints coupled with higher interest rates, persistent inflation and a stronger dollar are challenging operations and sapping consumer spending.

PC makers are adapting to Please turn to page B4

Digital Currency Behemoth Lowers Forecast

By PETER RUDEGEAIR AND VICKY GE HUANG

Digital Currency Group Inc. said 2022 revenue is on track to reach \$800 million, down about 20% from what the cryptocurrency-focused conglomerate expected to generate last year.

DCG is the parent company of Genesis Global Capital, a crypto lending firm that paused redemptions and loan originations on Nov. 16 after it couldn't meet client withdrawal requests. DCG owes Genesis around \$575 million that is due in May 2023, in addition to a \$1.1 billion promissory note to Genesis due in June 2023, DCG Chief Executive Barry Silbert said in a letter to investors that was viewed by The Wall Street Journal.

DCG is trying to assuage the fears of crypto traders and investors following the meltdown of crypto exchange FTX this month. Exposures that once seemed manageable have grown across the crypto industry, and investors are questioning the health of firms once viewed as safe.

DCG is also the parent company of Grayscale, which manages the world's largest bitcoin fund. Shares in the Grayscale Bitcoin Trust traded Monday at a 43% discount to their underlying stated holdings of bitcoin. On Friday, Coinbase Global Inc.'s custody arm vouched for the security of Grayscale's digital assets held there.

"We have weathered previous crypto winters and while this one may feel more severe, collectively we will come out Please turn to page B2

Retailers' Fears Ease on Holiday Spending

By SARAH NASSAUER AND DEAN SEAL

Best Buy Co. and Dick's Sporting Goods Inc. reported mixed quarterly results but said sales wouldn't fall as much as previously expected, signs that consumers are feeling the pinch of high inflation but still buying some electronics and sporting goods.

Executives said the health of the consumer is uncertain, and that many, especially lower-income consumers, are trading down to less expensive products, looking for deals or pulling back some spending.

"We assume those consumers are going to continue to make trade-offs. We think it will happen through the holiday and we think it will happen probably as we head into next year," Best Buy Chief Executive Corie Barry said Tuesday. There is "no simple way to describe consumers. It's uneven and unsettled," she said.

Retailers are heading into an uncertain holiday season, with high prices for food and fuel weighing on consumer sentiment. Some national chains, such as Walmart Inc. and Target Corp., have warned that people are spending less on discretionary items because higher costs of gro-

ceries, housing and other essentials are taking up more of household budgets.

In a sign of such stresses, discounter Dollar Tree Inc. on Tuesday raised its sales goals for the year but warned that elevated costs and shifts in spending toward less profitable consumables such as food would reduce its profits.

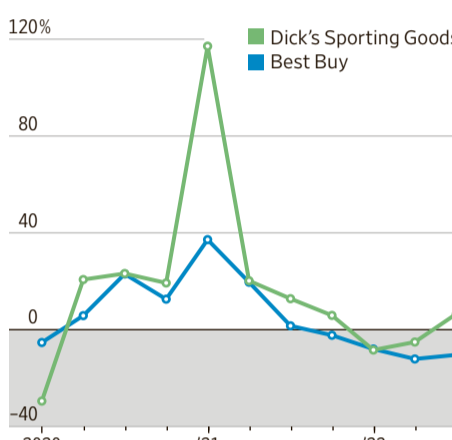
"The economy continues to pressure middle and low household income customers, resulting in needs-based purchasing," Dollar Tree Chief Financial Officer Jeffrey Davis said. Since many of the chain's prices are set, Dollar Tree typically shifts to smaller packages to reduce costs, which takes longer than raising prices.

On Tuesday, Best Buy said profits fell and comparable sales dropped 10.4% in its third quarter, but the results weren't as bad as investors had feared. The company slightly raised its sales target for the fiscal year that ends in January, saying comparable sales would decline 10% instead of 11%.

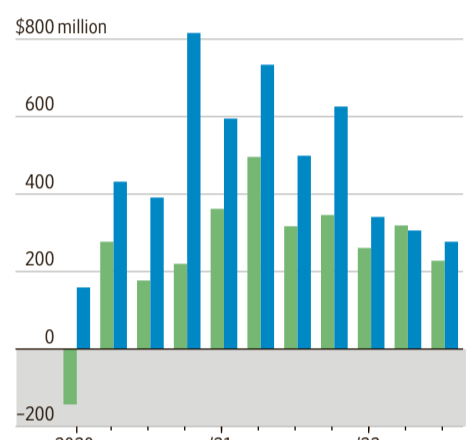
Dick's reported a lower third-quarter profit and said comparable-store sales rose Please turn to page B2

◆ Heard on the Street: Dollar Tree needs more traffic.... B12

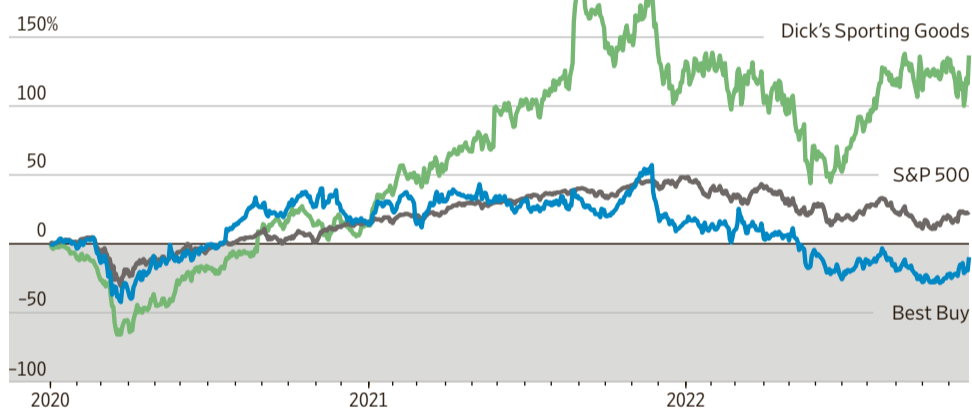
Same-store sales, change from a year earlier



Quarterly net profit/loss



Share and index performance



Note: Best Buy is on fiscal year 2023 and Dick's Sporting Goods is on fiscal year 2022; latest quarter for both companies ended Oct. 29 Sources: the companies (same-store sales); S&P Capital IQ (profit/loss); FactSet (performance)

Paper Giant Relies on Russia Pulp

By RYAN DEZEMBER

Russia has been a big cause of corporate losses since it invaded Ukraine, prompting companies to cut ties. At International Paper Co., however, Russia remains a major source of cash and an important contributor to the dividend that draws investors to its shares.

Companies were filing out of Russia in March when IP said it would explore options, including a sale, for its 50% stake in Ilim Group, a pulp and paper giant with government license to log swaths of Siberia and the western taiga that add Please turn to page B11

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STREETWISE | By James Mackintosh

Crypto's Systemic Troubles Are Far From Over



The first question cryptocurrency owners should be asking themselves at the moment is whether their bitcoin, dogecoin and other tokens are safe. Hold them with the wrong broker or custodian, and they might vanish into an interminable bankruptcy proceeding, perhaps never to emerge.

The second question is closely linked: Have prices fallen enough to justify buying back in? There is no definitive answer, of course, since these are speculative assets with no basis for valuation. But for both the remaining speculators and the true believers who think eventually we will all use a crypto financial system, it is worth thinking about how much investors are prepared for a systemic crisis. For the rest of us, it is amusing to watch from the sidelines.

The simplest approach is

to look at the fall in prices. From its November peak, bitcoin is down 77% against the dollar, a horrible drop. Just from the first troubles in crypto back in May—before Sam Bankman-Fried's FTX started making headlines—bitcoin has almost halved. And since the run on FTX began with a CoinDesk story about its interlinked hedge fund this month, leading to its bankruptcy, the price is down more than 20%.

There is no way to say for sure how much confidence in the crypto ecosystem was knocked by the cascading wave of failures. But at the extreme, the 77% fall in price isn't that far from the 85% fall in U.S. bank stocks from peak to trough in the 2007-2009 financial crisis. Bitcoin's better than the banks, too, since it can't itself go bust, even if the exchanges that enable trading of it appear to be falling like dominoes (and unlike banks, don't have the Federal Reserve to

save them). Take this view, and perhaps much of the loss of confidence in the system is already priced in.

There is further evidence for that from the withdrawal of speculators. Some of the crypto hedge funds had no choice but to stop trading, because their money is locked up in failed exchanges. Others have chosen to take less risk, which means less real money to support the value of crypto. Please turn to page B2

Iger Returns to More Competitive Streaming Scene

By SARAH KROUSE

Walt Disney Co. has brought back the CEO responsible for its pivot to streaming. As he returns, Robert Iger has to navigate a competitive landscape that is far more challenging than when he left less than three years ago.

Investors say Mr. Iger is facing the same predicament as other leaders of large entertainment conglomerates: finding ways to grow and improve the streaming unit's profitability without cannibalizing its lucrative businesses of creating content for television and movie theaters. Disney, as well as peers including Warner Bros. Discovery Inc., must now carefully decide where and how best to release, sell or license its content.

Previous CEO Bob Chapek, who was ousted as CEO by Disney's board Sunday evening, had planned to address the company's need for improved streaming profits with a mix of price increases, an ad-sup-



Kathy Najimy, Bette Midler and Sarah Jessica Parker in Disney's 'Hocus Pocus 2'

ported tier of Disney+ and more cross-selling of Disney products.

When the company launched its Disney+ streaming service in 2019, two years after Mr. Iger

announced plans to do so, Wall Street cheered the move as a way for Disney to compete with Netflix Inc. For years, Netflix had licensed Disney content and sold it to customers as part

of a giant library for which they paid a small monthly fee. Having its own streaming service gave Disney more control over its films and shows, and created a more direct relation-

ship between the company and its fans.

Disney emphasized adding subscribers quickly, forging promotional partnerships with companies like Verizon Communications Inc. to broaden its distribution. It grew at a frenetic pace, amassing over 164 million subscribers in the three years since its inception. Factoring in ESPN+ and Hulu, which Disney controls, the company has more streaming subscribers than Netflix.

Under Mr. Chapek, Disney increased its content spending dramatically, to around \$30 billion this fiscal year alone. At the same time, the company charged customers far less for Disney+ than most of its rivals, including Netflix and Warner Bros. Discovery Inc.'s HBO Max. This helped attract customers, but led to ever-growing losses for Disney's streaming division, which ballooned to \$1.47 billion in the most recent quarter.

"The area that Bob [Iger] can really focus on is not just Please turn to page B4

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Digital Behemoth Cuts View

Continued from page B1 of it stronger," Mr. Silbert wrote. Mr. Silbert said in the investor letter that DCG's other businesses, which include the media company CoinDesk and bitcoin-mining firm Foundry, were operating as usual.

Other crypto companies are on track for revenue declines larger than DCG's. At Coinbase, total revenue in the first nine months of 2022 fell to \$2.57 billion, less than half what it generated in the same period last year.

Still, intercompany loans in crypto are under increased scrutiny following revelations about the credit FTX extended to its affiliated trading firm, Alameda Research. Genesis had \$2.8 billion in active loans outstanding at the end of the third quarter, meaning the DCG loan due in May represents about one-fifth of its loan portfolio.

"It sounds like there's some leverage here, but I don't see the same risk patterns that I would see in something like FTX," said Mike Alfred, a private investor specializing in crypto companies. "Maybe they need to sell one or two entities to fill those holes."



Digital Currency Group CEO Barry Silbert

Earlier this year, DCG took on liabilities from Genesis after the hedge fund Three Arrows Capital defaulted on loans it took out from Genesis, prompting the issuance of the \$1.1 billion promissory note while DCG tries to recover assets from Three Arrows's liquidation proceedings.

Separately, the roughly \$575 million that DCG borrowed from Genesis went to fund investment opportunities and buy DCG stock from outside shareholders, Mr. Silbert said in the letter. The loans were arm's length transactions priced at market rates, he said.

A year ago, DCG was riding high. A \$700 million investment round for the Stamford, Conn., company last November valued it at \$10 billion.

Sequoia Apologizes for FTX Loss, Tells Investors It Will Do Better

BY BERBER JIN

Sequoia Capital apologized to its fund investors for the \$150 million it lost on crypto exchange FTX, said people familiar with the matter, a rare moment of contrition for the storied venture-capital firm. Sequoia's partners told fund investors on a call Tuesday that the firm would improve its due-diligence process on future investments and that it believed it was misled by FTX based on the exchange's recent bankruptcy filing, the people said.

Sequoia, an early backer of Apple Inc., Alphabet Inc.'s Google, and Airbnb Inc. is seen as the gold standard in the venture industry for its high investment bar. Earlier this month it wrote off its entire investment in FTX—one of the largest investments in the company by a venture-capital firm—after the crypto exchange struggled to meet a wave of withdrawals. FTX filed

for bankruptcy protection on Nov. 11.

In the call, a Sequoia partner said that the firm in the future will be in a position to have even early-stage startups' financial statements audited by one of the Big Four accounting firms, the people said.

Sequoia was one of scores of venture investors who piled roughly \$2 billion into FTX amid last year's boom in crypto investment. Eager to get into the hot startup, they shirked traditional corporate controls such as external board oversight that are typical for such large investments.

Sequoia partners said the firm conducted due diligence on FTX but believed it was misled by the company's founder, Sam Bankman-Fried, on the exchange's connections with Alameda Research, the people said.

FTX, based in the Bahamas, and its U.S. arm used a pair of smaller auditing firms to sign

off on their 2021 financial statements earlier this year, according to documents viewed by The Wall Street Journal. The executive hired to shepherd FTX through bankruptcy has expressed "substantial concerns" about the quality of FTX's audited statements.

The ties between FTX and Alameda were central to FTX's implosion. Mr. Bankman-Fried has told investors and employees that FTX lent customer funds to Alameda, which lost billions of dollars after crypto prices fell earlier this year. He told investors FTX faced a funding gap of up to \$8 billion.

Sequoia invested the bulk of its cash in a Series B funding round for FTX in July 2021, when investor fervor for cryptocurrency startups hit an all-time high, people familiar with the matter said.

Attracted to a founder they saw as visionary, investors put aside customary oversight safeguards when backing FTX,

which earlier this year was valued at \$32 billion, making it one of the most valuable startups in the world.

When Sequoia and other shareholders asked for a seat on the company's board of directors, Mr. Bankman-Fried repeatedly pushed back, telling them their ownership in the company was too small to warrant it, people familiar with the matter said. Boards typically have to approve transactions with so-called related parties like Alameda.

John J. Ray, the restructuring specialist who replaced Mr. Bankman-Fried as CEO of FTX and helped oversee some of the biggest bankruptcies ever including Enron's, said in a filing that he had never seen "such a complete failure of corporate controls and such a complete absence of trustworthy financial information" as FTX.

—Eliot Brown and Alexander Osipovich contributed to this article.

Crypto's Systemic Issues

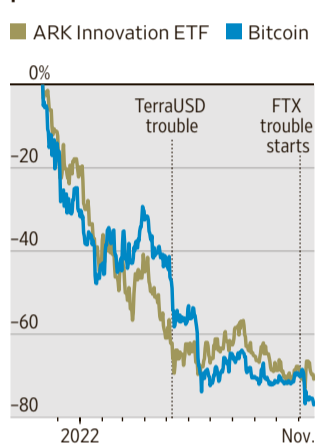
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The evidence is, first, that there's less demand to borrow crypto assets, because speculators no longer want to take on extra risk. The interest that can be earned by lending out tether, a stablecoin tied to the value of the dollar, has dropped to just 2-3%—less than can be earned on risk-free dollars themselves. There is pretty much no demand to borrow bitcoin, with lending rates on Aave and Compound, two decentralized finance platforms for matching borrowers and lenders, close to zero.

Second, spreads on popular arbitrage trades have widened dramatically. These are trades that flourish when investors want to take risk, because the gains are easy to calculate—examples include profiting from the gap in prices for the very same crypto on different exchanges or buying stock-market-listed firms that hold crypto at a discount. These and other arbitrage trades are out of favor because they need lots of leverage and involve the risk of the counterparty, the exchange or the listed firm, failing.

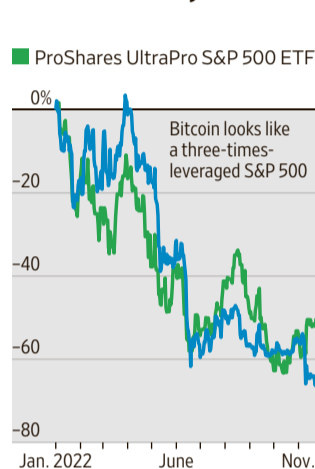
Third, the amount of stablecoins outstanding has plunged as borrowing is repaid. There are just \$65 billion of tether

Performance since bitcoin peak in November 2021



Sources: FactSet (ETF); CoinDesk (bitcoin)

Performance this year



As backup to this view, both ARK and bitcoin have also traded this year very much like a triple-leveraged version of the S&P 500. Indeed, when the FTX problems began bitcoin and the ProShares UltraPro 3x-leveraged ETF had been down almost exactly the same amount, 56% and 58% respectively. Again, the link between the two broke only when FTX ran into trouble.

With Genesis Global Capital teetering on the edge—"We have no plans to file bankruptcy imminently," a spokesman said on Monday—the systemic troubles in crypto don't seem to be over.

But for true believers, systemic problems are just something that crypto has to live with, because part of the point of a trustless blockchain is that it is not government-issued money—and so doesn't get government-backed rescues, either.

"It's crypto being crypto," said Omid Malekan, who teaches blockchain and crypto courses at Columbia Business School and counts himself a believer. "The people who came in because of the hype, the FOMO [fear of missing out], the rising prices and didn't have a fundamental understanding of what's going on have all blown up."

If they have really gone, maybe the bubble itself is fully deflated. But prices will still fall further if more crypto firms fail, as seems likely. As Mr. Malekan says, no one should buy crypto unless they are happy to see prices fall by half in the short run. They easily could.



Best Buy slightly raised its sales target for the fiscal year that ends in January. A company store in Miami.

Fears Ease For Some Retailers

Continued from page B1

Dick's raised its sales and profit goals for the fiscal year. It now expects comparable-store sales to fall between 1.5% and 3%, compared with a previous range of 2% and 6%.

Shares of Best Buy rallied

13% Tuesday, while Dick's shares gained 10%. Dollar Tree shares fell 8%. The results are the latest updates on the outlook for the industry ahead of the Black Friday shopping weekend.

Apparel chain Abercrombie & Fitch Co. said Tuesday that it was cautiously optimistic about the holiday season after it reported a small quarterly profit and sales that fell less than expected.

The company now expects fourth-quarter sales to fall 2% to 4% from \$1.2 billion a year earlier. Shares jumped 18% in midday trading Tuesday.

Best Buy is one of several

chains that warned over the summer of a likely spending pullback from pandemic favorites such as home appliances. After its sales and profits fell in the second quarter, the company told investors to expect a similar result heading into the fall as people purchased fewer TVs and laptops.

Quarterly profits at both Best Buy and Dick's were hurt by increased discounting compared with last year when product shortages resulted in fewer promotions. Inventories at Best Buy are down 15% compared with last October while at Dick's they are up 35% from a year ago.

Dick's executives said they were comfortable with their merchandise levels heading into the holidays.

Chief Executive Lauren Hobart said the company's strong inventory position at the end of June allowed it to meet robust demand during the back-to-school season.

The big seller of sneakers and athletic attire isn't expecting demand to soften significantly next year.

"There's nothing unique about how we drove demand that won't persist into next year," Ms. Hobart said.

—Hannah Miao contributed to this article.

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BUSINESS NEWS

Norfolk Southern Sets Purchase of Rail Link From City of Cincinnati

By ESTHER FUNG

Norfolk Southern Corp. said it plans to acquire Cincinnati Southern Railway, a railway line that it currently leases from the city of Cincinnati, for around \$1.62 billion.

The Atlanta-based railroad said the link is one of the highest-density segments of the company's network, with as many as 30 trains a day traveling the route. The purchase of approximately 337 miles of railway line that extends from Cincinnati to Chattanooga, Tenn., eliminates uncertainty around future lease costs, Norfolk Southern said.

Norfolk Southern will also own around 9,500 acres of land that sits under the rail infrastructure that it maintains and operates.

The acquisition wouldn't add revenue but, by avoiding higher lease payments, the deal should improve the company's operating ratio, said Christian Wetherbee, Citigroup transportation analyst.

Operating ratio is a key metric for railroads that measures the proportion of operating revenue consumed by operating expenses.

The deal is subject to approval from the voters of Cincinnati and the U.S. Surface Transportation Board, the economic regulator overseeing the country's freight railroads. Norfolk Southern said the transaction is projected to close in the first half of 2024.

"This is a historic opportunity to deliver great value to citizens of Cincinnati and realize a substantial return on the investment and foresight of our predecessors," Cincinnati Mayor Aftab Pureval said.

The Cincinnati Southern Railway trustees have proposed placing the proceeds of the sale into a trust, with its investment returns transferred annually to the city to fund the rehabilitation of existing infrastructure such as roads, bridges, parks, and recreation facilities.

Freight railroads currently face uncertainty on the labor front, with four out of 12 unions still at the negotiating table to get revised deals on working conditions by a December deadline. If the parties are unable to come to an agreement by then, workers will be allowed to go on a strike.

Apple-Google Probe Ramps Up

British competition regulator says the companies operate a duopoly on mobile tech

By SAM SCHECHNER

The U.K.'s competition regulator is deepening its investigation into the market power it says Apple Inc. and Alphabet Inc.'s Google exert over some mobile-device software, ramping up global scrutiny of big U.S.-based technology companies.

The Competition and Markets Authority said Tuesday that, after receiving support in a public consultation, it is moving forward with a market investigation it proposed in June into how the companies control web browsers for mobile devices, as well as complaints that Apple restricts cloud gaming on its devices.

As part of its proposal, the CMA said that Apple and Google operate an effective mobile-device duopoly that enables them to exercise what the regulator called a stranglehold over mobile ecosystems. The regulator said Tuesday that it is opening the investigation in part because the U.K. has delayed giving its competition regulator new power over digital markets similar to those recently passed in the Euro-



The search company and Apple face an inquiry into how they control web browsers on devices.

pean Union, which it said could help resolve those issues.

"In the meantime, we are using our existing powers to tackle problems where we can," said Sarah Cardell, the CMA's interim chief executive. "Many U.K. businesses and web developers tell us they feel that they are being held back by restrictions set by Apple and Google." Under U.K. rules, market investigations can lead to binding orders to change practices, but no fines.

"We will continue to engage constructively with the Competition and Markets Authority to explain how our ap-

proach promotes competition and choice, while ensuring consumers' privacy and security are always protected," an Apple spokesman said. A Google spokesman said many of the concerns that the CMA raises with regard to Apple's mobile operating system don't apply to its Android. "Android gives people a greater choice of apps and app stores than any other mobile platform," the spokesman said.

Some big tech rivals supported the investigation into Apple and Google, according to comments published Tuesday as part of the CMA's pub-

lic consultation on its investigation. Microsoft Corp. said Apple's and Google's control over their mobile ecosystems could cause increasing threats to competition if nothing is done.

Meta Platforms Inc., owner of Facebook and Instagram, said it agreed with the choice to open an investigation—and urged the regulator to broaden it to look into Apple's move to require iPhone apps to ask users whether they want to be tracked. That change last year has cut significantly into Meta's revenues and caused its stock to stumble.

JD.com Cuts Executive Pay as China's Economy Weakens

By RAFFAELE HUANG AND YIFAN WANG

SINGAPORE—Chinese e-commerce giant JD.com Inc. told staff that it will cut executive salaries to improve employee benefits and ease financial pressure, as tech companies grapple with a weaker economy.

Beijing-based JD.com will reduce the compensations of some 2,000 senior managers by 10%-20% from next year, with steeper cuts for higher-level executives, according to a letter

Richard Liu, the billionaire founder of the company, sent to staff on Tuesday and seen by The Wall Street Journal. Mr. Liu in the letter apologized for cutting their pay and promised to restore it if JD.com could return to fast growth in the coming two years.

A company spokesperson confirmed the authenticity of the letter.

Technology companies globally have felt the pain of slowing demand and growing economic uncertainty after a pandemic boost tapered off,

prompting some to make layoffs while streamlining businesses to reduce costs and boost profits.

In China, tech companies, including JD.com's bigger rival Alibaba Group Holding Ltd., have reported slower revenue growth, with consumer spending hit by Beijing's continuing zero-Covid policies.

JD.com swung to profit in the third quarter from losses, with 11% growth in revenue that executives attributed to a focus on core businesses and cost reduction. Still, they

warned investors in a recent earnings call of short-term disruptions to logistics and fulfillment because of the country's stringent Covid-containment measures, as well as lower spending by consumers.

JD.com's decision also came a few days after Chinese President Xi Jinping reiterated a strategic focus on "common prosperity," his signature economic policy aimed at redistributing more of China's wealth to the poor. The campaign has underpinned many of Mr. Xi's policy drives, including

clamping down on the country's technology majors.

In the Tuesday letter, Mr. Liu also said JD.com will add 10 billion yuan, or the equivalent of \$1.4 billion, to a company program that provides interest-free loans for house buying for employees who have been with the company for at least five years. JD.com has been offering as much as 1 million yuan each to employees who applied since 2012.

JD.com will also expand social insurance coverage to more than 100,000 workers at a lo-

gistic unit that it acquired in July, according to the letter. Currently, the company has more than 540,000 employees.

"The employee benefits improvement plan is currently being promoted, with a focus on front-line staff," a company spokesperson said.

Mr. Liu stepped down in April as chief executive of JD.com to focus on the company's longer-term strategies, joining other technology-sector billionaires to leave their posts amid Beijing's tougher regulatory environment.

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² As of June 30, 2022, includes all debt instruments in FSCO's portfolio. Duration measures the sensitivity of a fixed income investment's price to changes in interest rates and is measured in years. A duration of 1.18 years suggests that a 1% change in interest rates would equate to a 1.18% change in FSCO's net asset value.

³ As of June 30, 2022, includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.

⁴ As of October 31, 2022. High yield bonds are represented by the ICE Bank of America Merrill Lynch U.S. High Yield Bond Index. Loans are represented by the Credit Suisse Leveraged Loan Index.

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BUSINESS NEWS

Iger Finds Rivals in Streaming

Continued from page B1
growth but profitable growth," said Shri Singhvi, AllianceBernstein L.P.'s chief investment officer of strategic equities, who manages about \$15 billion in assets. He said he bought Disney stock midway through the year after shares sold off. While Disney and Netflix in the past focused on subscriber growth at any cost, "a lot of shine has come off that," he said.

Less than 24 hours after returning to the helm of Disney, Mr. Iger moved to disband a two-year old unit that put streaming at the forefront of the company's content strategy, undoing one of Mr. Chapek's biggest changes.

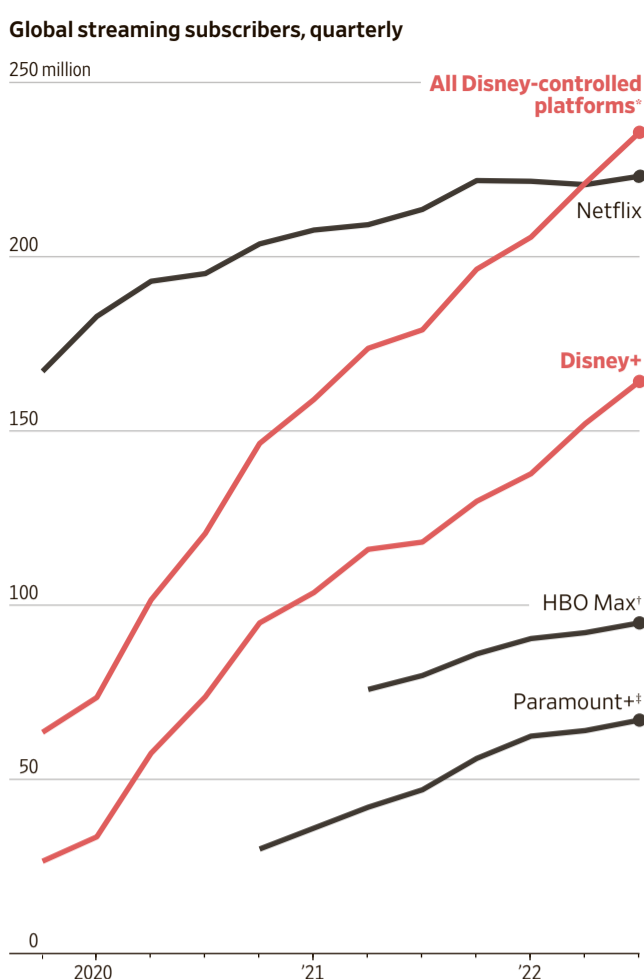
"It is my intention to restructure things in a way that honors and respects creativity as the heart and soul of who we are," Mr. Iger said in a memo Monday in which he announced the reorganization of Disney Media & Entertainment Distribution.

Mr. Iger said the division's boss—Kareem Daniel, a top lieutenant to Mr. Chapek whose job entailed deciding where Disney's movies and TV shows would be shown—was leaving the company. Disney will put in place a new structure "that puts more decision-making back in the hands of our creative teams and rationalizes costs," Mr. Iger said.

Under Mr. Chapek, Disney said it would raise the price of Disney+ to \$10.99 a month from \$7.99 on Dec. 8, and launch an ad-supported tier of service that will cost \$7.99 a month. The company also raised the monthly price of ESPN+ in August to \$9.99, a 43% increase.

Netflix earlier this month also launched an ad-supported tier of service to increase revenue and plans to limit password sharing next year. It charges \$6.99 per month for the ad-supported plan.

Many of the streaming industry's biggest players are



*Includes Disney+, ESPN+ and Hulu, which is controlled by Disney †Includes HBO ‡Total for Paramount, including Paramount+ and Showtime
Sources: the companies (subscribers); Walt Disney (operating loss); FactSet (performance)

shifting from a growth-oriented streaming strategy to profitability, but are doing so in a difficult economic environment and an intensely competitive market.

"There has to be reflection on what the return on invested capital is" in the streaming business now, said Michael Nathanson, a senior research analyst at MoffettNathanson, a division of SVB Securities.

Warner Bros. Discovery CEO David Zaslav recently said that profitability, not the number of streaming subscribers, will be the company's benchmark of success.

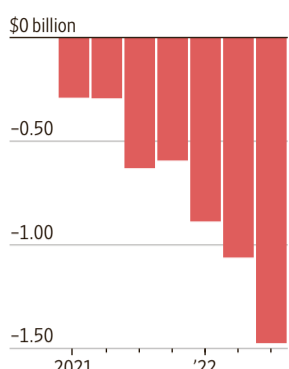
"I believe the grand experiment chasing subs at any cost is over," Mr. Zaslav said earlier this month. Spending a lot on content while making a "fraction in return all in the service of growing sub numbers has ultimately proven, in our view, to be deeply flawed," he said.

Some streaming services

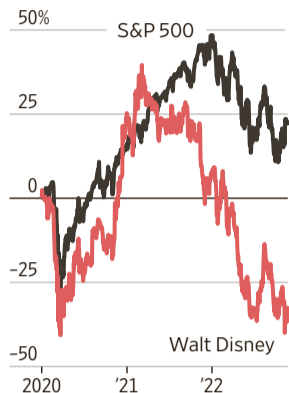
are turning to sports to draw in new audiences at home and abroad, though bidding wars over rights are pricey. Disney recently lost the streaming rights to cricket's Indian Premier League earlier this year, a hit to its international expansion ambitions, though it has pursued other rights for the sport. The company's streaming service in India, Disney+ Hotstar, accounts for 61.3 million of Disney+'s total 164.2 million streaming subscribers.

While Disney and Netflix boast the largest base of streaming subscribers around the world, they are subject to the same competitive pressures as their smaller rivals. The U.S. economy is showing signs of slowing, foreign-exchange rates are eating into overseas profits, the domestic market is saturated and consumers with more choices than ever are jumping from service to service.

Operating losses of Disney's direct-to-consumer segment



Share and index performance



China Clears Disney On 'Avatar' Sequel

By ROBBIE WHELAN

Chinese authorities have notified Walt Disney Co. that "Avatar: The Way Of Water" will be released in China on Dec. 16, the same day as it is slated to be released globally, according to people familiar with the matter.

Executives at Disney and at movie-theater chains had been closely watching for a decision from Chinese censors on the movie, director James Cameron's sequel to the 2009 science fiction epic. It will be distributed by Disney-owned 20th Century Studios.

The last seven superhero films produced by Marvel Studios, Disney's most profitable film studio over the last decade, haven't received release dates in the Chinese market, a block that dented their global box-office gross.

In July, for example, Disney cited the lack of a China release for "Thor: Love and Thunder," the fourth solo film featuring Chris Hemsworth's Thor character from the popular Avengers superhero team, as one reason the movie underperformed at the international box office.

Disney and other Holly-

wood studios have run up against Chinese censors in recent years, especially when their movies deal with sensitive political themes or when actors or directors make statements that Chinese authorities find objectionable.

Two recent Marvel films were blocked from release in China after comments that the Chinese government viewed as insulting, made by the director of one movie and a star actor of the other, were unearthed and circulated in the country.

While Disney hasn't revealed the "Avatar" sequel's budget, Mr. Cameron, the director, said in a recent interview in GQ magazine that the "Avatar" sequel was "the worst business case in movie history" and that it would have to be the third- or fourth-highest grossing film in history just to break even. Disney has said that it plans to make five "Avatar" movies in total.

"This is fantastic news for Disney, for James Cameron and for the movie, because the potential box office from China is enormous," Paul Dergarabedian, senior media analyst at Comscore, said Tuesday.

HP Cuts Up to 10% Of Staff

Continued from page B1
the lower-demand environment.

Dell said with customers no longer clamoring for new equipment, the company can use sea freight rather than relying on faster but more expensive airfreight, lowering costs.

Other tech companies are affected as well. Intel Corp.

has embarked on a cost-cutting push and is considering divestitures as the chip maker tries to navigate the sharp drop in PC demand that has weighed on the company's earnings. Rival Advanced Micro Devices Inc. this month issued a glum sales outlook for its current quarter as the chip maker expects demand to soften.

While most companies are experiencing a slowdown in PC demand, tech giant Apple Inc. reported record revenue for the latest quarter. Chief Financial Officer Luca Maestri cited new laptop launches and fulfilled pent-up demand after prior supply-chain issues as reasons for the surge.

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Facebook Makes Strides To Clean Up Content

By JEFF HORWITZ

Earlier this year, **Meta Platforms Inc.** quietly convened a war room of staffers to address a critical problem: virtually all of Facebook's top-ranked content was spammy, oversexualized or generally what the company classified as regrettable.

Meta, Facebook's parent company, had historically been reluctant to judge what goes viral on its platform, trusting its recommendation systems and users to surface the best content.

But the company's executives and researchers were growing embarrassed that its widely viewed content report, a quarterly survey of the posts with the broadest reach, was consistently dominated by stolen memes, engagement bait and link spam for sketchy online shops, according to documents viewed by The Wall Street Journal and people familiar with the issue.

Amid plans to shift even more of its users' newsfeeds toward Facebook-recommended

video content, Meta feared that it risked alienating users and advertisers, according to those documents and people.

Over several months, members of Meta's product, user-experience and integrity teams hammered out better definitions for low-quality content and agreed on ways the company could avoid amplifying it, according to the documents and people.

The work produced measurable results. Facebook's third-quarter Widely Viewed Content Report, released on Tuesday, shows only one in the top 20 posts qualified as engagement bait, down from 100% a year earlier. For the first time since the report began being produced, none of the top 20 posts violated platform rules.

The content that did receive top billing on the platform was a mixture of celebrity news, meme pages and Reels videos. Selections include a video from Thailand of people giving CPR to an elephant, a page devoted to feel-good quotations about

surviving domestic violence and a Reel in which a delivery man befriends a skittish dog. Among the most risqué offerings was a story that originated not on social media but in the New York Post, titled "Woman with world's 'most tattooed privates' hits out at haters."

"We're cautiously optimistic of the progress we've made as we work to improve the quality of content within Facebook," said Anna Stepanov, head of Facebook Integrity, in an announcement of the report.

Ms. Stepanov called Facebook's public release of the information an effort "to hold ourselves accountable."

Facebook's struggles with this issue highlight the complexities of content moderation across social media, including at Elon Musk's Twitter, where he has said eliminating spam is one of his top priorities even as he wants the platform to be a bastion for free speech.

Facebook's progress on low-quality content represents an upbeat turn for the quarterly



The latest third-quarter report shows none of the top 20 posts violated platform rules.

report, which the company began producing in 2021 to counter the narrative that it was amplifying divisive posts that regularly dominated daily engagement tallies.

What it showed instead was that among the billions of posts made to the platform, the ones getting the most views—meaning they were actively promoted by the social network's recommendation systems—were generally trashy.

Many tended to be plagiarized, promoting seemingly random links and coming from anonymous pages.

In the third quarter last year, 70% of the top 20 most-viewed posts met the company's existing definition of being "regrettable," a report from last year showed.

A later analysis determined that the remaining 30% was also low-quality engagement bait.

Surveys showed that users didn't like their feeds to be dominated by such posts, and the company was concerned that the problem was about to get worse.

Documents reviewed by the Journal suggest that Facebook has more work to do. An inter-

nal analysis of low-quality content this summer found that, while the quality of the top 100 posts had improved significantly, the company made less headway in the top 500 and top 1,000.

The Widely Viewed Content Report also doesn't include most of the content in Facebook Groups, which have long been a source of trouble for the company's integrity team. The company's researchers recently identified "Low Quality Content Producers" as being the most prolific posters and commenters in groups, documents show.

Foxconn Hires a Chip Veteran as It Branches Out

By YANG JIE

TOKYO—Taiwanese contract manufacturer **Foxconn Technology Group** hired Chiang Shang-yi, a veteran with decades of experience at some of the world's biggest chip makers, to drive further expansion into semiconductors and bolster its supply chain.

Best known as the world's biggest assembler of iPhones, Foxconn is seeking new engines of growth from manufacturing chips and sectors that rely on them, such as electric vehicles.

Mr. Chiang, who is in his

mid-70s, will advise on Foxconn's global semiconductor strategy and technology, reporting directly to Chief Executive Young Liu in the newly created role, the company said Tuesday.

"We are grateful to have such a seasoned semiconductor veteran join us at this important juncture in the group's development," Mr. Liu said.

At Taiwan Semiconductor Manufacturing Co., Mr. Chiang was credited with leading technological breakthroughs that helped the company become the world's largest contract chip maker. He went on to become its co-chief operat-

ing officer. Later stints at mainland Chinese rivals proved less successful.

He joins Foxconn as the group's core electronics assembly business faces some significant challenges, including shrinking global demand for electronic products, Covid-19 related disruptions to its manufacturing operations and rising geopolitical risks.

A recent Covid outbreak in the central Chinese city of Zhengzhou led thousands of workers to abandon the company's biggest iPhone assembly site, causing major disruption to the production of

Apple Inc.'s latest models.

Foxconn has made a number of forays into the global semiconductor industry in recent years to support its ambitions to expand into new areas, especially the manufacturing of electric vehicles, including purchasing facilities in the U.S. and investing in a debt-laden Chinese chip conglomerate.

Born in China and educated in Taiwan and the U.S., Mr. Chiang was a longtime technology head at TSMC. When TSMC jumped to global prominence in 2003 with a groundbreaking method to make smaller chips, the company named Mr. Chiang the lead en-

gineer for the team.

Following his retirement from TSMC, Mr. Chiang in 2016 was made an independent director of Semiconductor Manufacturing International Corp., China's largest chip maker. Less than three years later, he briefly joined another China-based semiconductor company, which closed in 2021 after running into financial problems.

In 2020, he was again hired by SMIC—this time as deputy chairman—as part of an effort to bolster China's chip industry in the face of a U.S. blacklisting campaign and tightening export controls.

The move triggered an immediate dispute, with SMIC's Co-CEO Liang Mong-song threatening to quit because he wasn't consulted about the decision. Mr. Chiang had been his former boss on the breakthrough team at TSMC.

Mr. Chiang quit SMIC about a year later. In a July interview with industry information website Computer History Museum, he said working there had been a mistake. "It was one of the foolish things I've done," Mr. Chiang said.

Last month, Mr. Chiang appeared at a major Foxconn technology event in Taiwan as a guest.

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THE PROPERTY REPORT

Land-Tax Policy Seen As Hurdle to Housing

Higher levies on towers than on vacant lots draw criticism amid apartment shortage

By KONRAD PUTZIER

For a glimpse at how a skewed property-tax system worsens the housing shortage in America's biggest cities, take a look at a 6-acre land parcel in Midtown Manhattan.

The site, located next to the United Nations headquarters, is valued at hundreds of millions of dollars, according to analysts. It is zoned for the construction of around 1,500 apartments in a city that has a shortage of housing and rents near record highs.

U.S. cities are littered with vacant or sparsely built sites like this one. New York City alone has more than 77,000 lots that are either vacant or have a building that is less than half the size of what zoning allows, according to an analysis of property records by Altus Group for The Wall Street Journal.

Altus, which is a real-estate analytics and advisory firm, counted private lots larger than 3,000 square feet that are likely suitable for development.

If the owners of these lots all developed buildings with the maximum size allowed under current zoning, they could add an estimated 858 million square feet of housing and commercial space, according to Altus. That is equivalent to 306 Empire State Buildings.

State Buildings. Around 96% of these sites are zoned for residential use, Altus said.

Some economists and housing advocates say there is a common factor behind all this vacant land: a property tax system that combines low taxes on land with high taxes on buildings.

"There's no incentive to do anything except to sit on it," said Joshua Vincent, president of the think tank Center for the Study of Economics, which advocates property-tax reform.

Developers, hamstrung by red tape, restrictive zoning rules and high land prices, increasingly struggle to find sites to build on. The reluctance of many property owners to sell their lots worsens the problem.

The role taxes play in keeping land undeveloped is an underappreciated contributor to the country's housing shortage.

Many cities and counties, including New York, calculate taxes by estimating a property's value and then charging a percentage. Because vacant lots or lots with small buildings tend to sell for far less money than, say, high-rise apartment towers, they usually end up with much lower property-tax bills.

But an unintended consequence of the tax system is that it discourages developers from building housing, economists say. Once owners of vacant lots build homes or apartments, their tax bills usually skyrocket.

Property taxes are one of the biggest annual expenses for new apartment developments, said Kory Geans, chief investment officer of rental housing developer Middleburg Communities.

The late developer Sheldon Solow bought the Manhattan site, a former power plant, in 2005, according to property records. In 2007, Mr. Solow said he planned to build more than 4,000 apartments and a 47-story office tower on the site and nearby lots.

A massive Manhattan site has a much lower property-tax bill per acre of land than neighboring buildings.



Source: New York City Department of Finance, and Reonomy (acreage, taxes); Google Earth (satellite image)



A parcel next to United Nations headquarters in New York has been undeveloped for 17 years.

"Whatever we do," Mr. Hershman said, "we want to do it right."

The company is currently updating its development plans and has floated building a casino, according to marketing materials seen by The Wall Street Journal. New York state legislators have approved up to three casino licenses for the New York City area.

Sunbelt cities have also seen an influx of investors who buy up vacant lots to keep them undeveloped and wait for values to rise. The cost of inaction is usually low, particularly in suburban locations, where keeping a few cows on a lot allows landowners to qualify for massive property-tax breaks meant for ranchers.

Lawmakers in Detroit, Philadelphia and Richmond, Va., have proposed reforms that would fundamentally change the way property taxes are calculated.

"What you're trying to do there is light a fire under those people," said Josie Faass, CEO of the Robert Schalkenbach Foundation, which promotes land taxes. Under proposals studied by cities like Detroit, each property's appraised value is divided into land and building.

The rate on the land portion is increased, and the rate on the building lowered. That means owners of vacant land and owners of small buildings on valuable lots see their tax bills rise by a lot, while owners of high-rise buildings or duplexes see their bills shrink.

Pittsburgh had a split-rate tax until 2001, and a number of studies found that it had more building activity than other Pennsylvania cities.

"There can be no doubt that if you shift the tax off of buildings and onto land, you will encourage buildings and discourage land speculation," said Nicolaus Tideman, a professor of economics at Virginia Tech.

Land taxes have long been popular among free-market economists. That is partly because, unlike taxes on corporate profits, they don't discourage investment. Adam Smith argued in favor of land taxes and Milton Friedman called them the "least bad tax."

Landowners tend to oppose them, and calculating two values—land and structure—for a single property is often difficult, though improved databases and valuation software make the job easier.

Tenants Confront New Jersey Landlord Over Rent Hikes

By KATE KING

Dina Bologna was shocked when she learned in July that the rent for her Jersey City, N.J., two-bedroom apartment would go up 40% to more than \$6,000 a month if she renewed her lease.

She thought about moving and tried negotiating with her landlord. Then Ms. Bologna's neighbors, who were facing similar rent increases, started organizing.

They filed petitions with the city saying that the 19-story waterfront building should be subject to rent control. The city's rent-control administrator agreed. As of late August, the landlord could raise rent in Ms. Bologna's building by no more than 4% a year. "When they go to these crazy numbers...people say, 'Really? Can they do this? Are there no laws that limit anything on rent?'" said Ms. Bologna, referring to her landlord, Equity Residential.

A spokesman for Equity Residential said it uses rental-pricing software and market comparisons in lease negotiations. The company plans to operate Ms. Bologna's building

under rent control in accordance with the city's ruling, the spokesman said.

Skyrocketing rents are prompting cities and towns across the U.S. to consider enacting rent control to keep prices in check. But in communities where these tenant protections have long been on the books, many residents aren't aware of them or find that enforcing rent control is no easy task. Residents often don't have the resources to pursue rent-control enforcement or are worried that they could lose their homes by fighting their landlords, said Brian Rans, attorney for the Jersey City-based nonprofit the Waterfront Project, which provides free legal assistance for housing and other civil issues.

Steven Fulop, Jersey City's mayor, said his administration has dedicated significant time and money to enforcing tenant protections and expanding affordable housing. The city, which is located across the Hudson River from lower Manhattan, has grown in popularity in recent years. Its waterfront apartments boast spectacular city views while offering more



Tenants filed petitions with the city saying Portside Towers should be subject to rent control. The view from a tenant's balcony.

space than similarly priced units in Manhattan.

Jersey City has seen some of the fastest rent growth in the country. The average asking apartment rent in Jersey City was \$2,850 a month in October, up 28% from 2012, according to real-estate data and analytics company CoStar Group Inc. On the city's waterfront, apartments rent for about \$3,800 a month. Overall, Jersey City prices climbed more than twice as fast as nearby Manhattan since the

coming years.

Jersey City ordinance enacted decades ago stipulates that all apartment buildings with five or more units are presumed to be rent controlled, although buildings built under certain conditions are exempt.

A state law enacted in 1987 to encourage housing development allowed owners of newly constructed apartment buildings to file within a certain time frame for rent-control exemptions of up to 30 years. Now, buildings constructed in the early 1990s, such as Ms. Bologna's, are losing their exemptions. Ms. Bologna lives in the western high rise of Portside Towers, a two-building complex on the Jersey City waterfront with more than 500 apartments and sweeping views of the Manhattan skyline and Hudson River. Because the west tower was built in 1992, the city ruled its exemption had expired, and it was subject to rent control as of Aug. 24, 2022.

The city determined that the east tower, built in 1997, will fall under rent control in five years. The building's tenants are appealing the ruling and say that both towers should have been

under rent control for decades.

More than a dozen of Ms. Bologna's neighbors who were also facing double-digit rent hikes saw those increases reduced. Hundreds of other tenants in the building will pay at least 4% more a month when their leases come up for renewal.

"Such relief," said Jessica Rasulo, who has lived in Portside Towers for nine years.

Other residents left before the city's decision. Oliver Bennett, who had lived in the building with his family since 2017, moved after getting a lease renewal that would have raised the rent on his three-bedroom nearly 40%.

The proposed increase was especially galling because the building's elevators were repeatedly breaking down, Mr. Bennett said. The Jersey City Fire Department responded to the complex at least 10 times between April and September of this year to free people from stuck elevators, according to department records.

Equity Residential's spokesman said the company recently overhauled the buildings' elevators and "are working out some continuing malfunctions."

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. %CHG-Daily percentage change from the previous trading session.

Table with columns for Stock, 52-Wk % High/Low, and % Change. Includes sub-sections for Highs and Lows.

Main table with columns for Stock, 52-Wk % High/Low, and % Change. Lists various stocks and their performance metrics.

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Table with columns: Metal & Petroleum Futures, Open, High, Low, Settle, Chg, Open interest. Includes Copper-High, Gold, Palladium, Silver, Crude Oil, Agriculture Futures, Corn, Oats, Soybeans.

Table with columns: Soybean Meal, Soybean Oil, Rough Rice, Wheat, Wheat (K), Wheat (K), Cattle-Feeder, Cattle-Live, Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar, Sugar-Domestic, Cotton, Orange Juice.

Table with columns: Open, High, Low, Settle, Chg, Open interest. Includes Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, Treasury Inflation Protected Securities.

Table with columns: Open, High, Low, Settle, Chg, Open interest. Includes Swiss Franc, Australian Dollar, Mexican Peso, Euro.

Index Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Includes Mini DJ Industrial Average, Mini S&P 500, Mini S&P Midcap 400, Mini Nasdaq 100, Mini Russell 2000, Mini Russell 1000, U.S. Dollar Index.

Currency Futures

Table with columns: Japanese Yen, Canadian Dollar, Eurodollar, British Pound.

Source: FactSet

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table showing bond benchmarks: Broad Market, U.S. Corporate Indexes, High Yield Bonds, U.S. Agency. Columns include Total return, YTD total return, Index, Yield (%), Latest, Low, High.

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table with columns: Country, Maturity, Yield (%), Spread Under/Over U.S. Treasuries, in basis points. Lists countries like U.S., Australia, France, Germany, Italy, Japan, Spain, U.K.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, in basis points. Lists issuers like JPMorgan Chase, Bank of America, Burlington Northern Santa Fe, HSBC Holdings.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread, in basis points. Lists issuers like Credit Suisse, Banco Santander, Dominion Energy Georgia-Pacific.

High-yield issues with the biggest price increases...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Lists issuers like Bath & Body Works, Transocean, Telecom Italia Capital, Ford Motor Credit.

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Lists issuers like Howmet Aerospace, XPO Logistics, Dish DBS, Ball, Occidental Petroleum.

*Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt; change in spread shown is for Z-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Cash Prices | wsj.com/market-data/commodities

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

Table with columns: Commodity, Price, Change. Includes Energy, Metals, Fibers and Textiles, Grains and Feeds, Food, Fats and Oils.

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brooks; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sasland Publishing; R=S&L Energy; S=Platts-TSI; T=Coftok Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. *Data as of 11/21

Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table with columns: Inflation, U.S. consumer price index, International rates, Prime rates, Policy Rates, Overnight repurchase, U.S. government rates, Discount. Includes Federal funds, Treasury bill auction, Secondary market, Fannie Mae, Other short-term rates, Call money, Commercial paper.

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ARKANSAS: REAL ESTATE AUCTION FEBRUARY 15, 2023. SKILLED NURSING FACILITY. 6811 S. HAZEL ST., PINE BLUFF, ARKANSAS. MARYLAND: BANK FORECLOSURE AUCTION. Valuable Commercial Property in Aberdeen, MD. PENNSYLVANIA: SEALED BID FOR SALE. 102,000 square foot, Pittsburgh Area office building. 93% leased.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Iboe, NYSE National and Nasdaq ISE.

Footnotes:
N 52-week high.
N 52-week low.
dd Indicates loss in the most recent four quarters.
FD First day of trading.
h Not meet continued listing standards.
H Late filing.
q Temporary exemption from Nasdaq requirements.
t NYSE bankruptcy.
w Trading halted on primary market.
v In bankruptcy or receivership or being reorganized under the Bankruptcy Code, or securities assumed by such companies.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks including FordMotor, Fortinet, Fortis, Fortive, FordBdsHome, FOXA, FOXB, Franco-Nevada, FranklinRscs, FreseniusMed, FullTruck, Futu, etc.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Table with columns: Tuesday, November 22, 2022, Stock, Sym, Close, Net Chg. Lists various stocks under categories A, B, C, D, E, F, G, H, I, M, N.

BMW CERTIFIED
DON'T DREAM IT! DRIVE IT!
NO PAYMENTS FOR 90 DAYS
AND UP TO \$500 OWNER LOYALTY
ON ALL 2018-2020 BMW CERTIFIED MODELS**

2019 BMW X7 xDrive40i



ARCTIC GREY METALLIC
STK # BB8019XX,
33,069 MILES
SMART PRICE
\$59,998*

2022 BMW ALPINA B7 xDrive



BLACK SAPPHIRE,
STK # BB41658A,
8,568 MILES
SMART PRICE
\$129,798*

2019 BMW 440i xDrive Gran Coupe



BLACK SAPPHIRE METALLIC,
STK #BB8093,
37,796 MILES
SMART PRICE
\$37,898*

2018 BMW X6 M SAV



DONINGTON GRAY,
STK #BP1511XX,
46,012 MILES
SMART PRICE
\$61,998*

2019 BMW 540i xDrive



DARK GRAPHITE,
STK #BP1517,
30,757 MILES
SMART PRICE
\$45,898*

2016 BMW 640i xDrive Gran Coupe



ALPINE WHITE,
STK #BP1361XY,
45,015 MILES
SMART PRICE
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*Pricing excludes tax, title, registration and doc fee. Must qualify with BMW Financial Services to be eligible. Rebate varies by model and years. Please contact dealer for details. ** Interest will accrue during 90-day period to first payment and will be due prior to maturity of the contract. This offer is available on select model-year 2018-2020 CPO BMW models with 36-to-72 month retail contracts financed through BMW Financial Services NA, LLC, excluding select contracts. To be eligible, qualified customers must have excellent credit history and meet BMW Financial Services' credit requirements. Not all customers will qualify. Other rates and terms available. All offers subject to vehicle availability. From 3.99% APR up to 36 months at \$29.52 per month per \$1,000 financed applies to all 2018-2020 BMW Certified Pre-Owned models. No down payment is required. Offer valid through 11/30/2022. Offer available from participating BMW dealers to eligible, qualified customers with excellent credit history who meet BMW Financial Services NA, LLC credit requirements. Not all customers will qualify for the lowest rate. Other rates and terms available. All offers subject to vehicle availability.

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BIGGEST 1,000 STOCKS

Continued From Page B8

Table of 1,000 largest stocks by market cap, including columns for Stock, Sym, Close, Net Chg, and various financial metrics.

Mutual Funds

Table of mutual fund listings with columns for Fund, NAV, Net YTD Chg, and %Ret.

Detailed table of mutual funds categorized by sector (e.g., American Century, Fidelity, Vanguard) with columns for Fund, NAV, Net YTD Chg, and %Ret.

Dividend Changes

Table of dividend changes for various companies, including columns for Company, Symbol, Yld, Amount, and Record Date.

BANKRATE.COM MMA, Savings and CDs

Average Yields of Major Banks

Table showing average yields for various bank products like National average, Savings, and Weekly change.

Consumer Savings Rates

Below are the top federally insured offers available nationwide according to Bankrate.com's weekly survey of highest yields.

Table of consumer savings rates for various banks (e.g., CFG Community Bank, UFB Direct, Merrick Bank) across different terms and amounts.

Exchange-Traded Portfolios

Largest 100 exchange-traded funds, latest session

Table of exchange-traded funds (ETFs) with columns for ETF, Symbol, Price, and % YTD.

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BUSINESS OPPORTUNITIES

Advertisement for Alliance Mortgage Fund, Real Estate Secured Fixed Income Fund, and Accredited Investors.

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Legal notice regarding the NARCO Asbestos Trust Amended Buyout Agreement, including details on the trust, buyout process, and contact information.

PRIME COSTA RICA!

Advertisement for 247 Oceanview Beach Lots and Hot Springs Hotel Spa.

THE WALL STREET JOURNAL

Large advertisement for The Wall Street Journal with the title 'THE MARKETPLACE' and contact information.

CAREERS

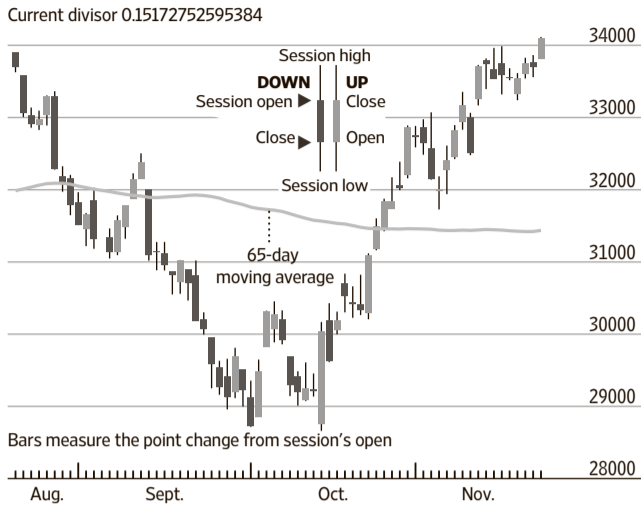
Job listings for various roles including Mid-level Associate, Risk Associate, General Manager, and Interventional Cardiologist.

MARKETS DIGEST

EQUITIES

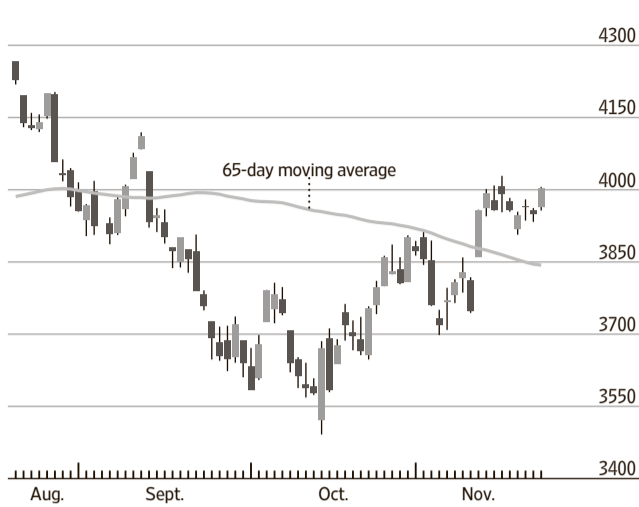
Dow Jones Industrial Average

34098.10 ▲ 397.82, or 1.18%
High, low, open and close for each trading day of the past three months.



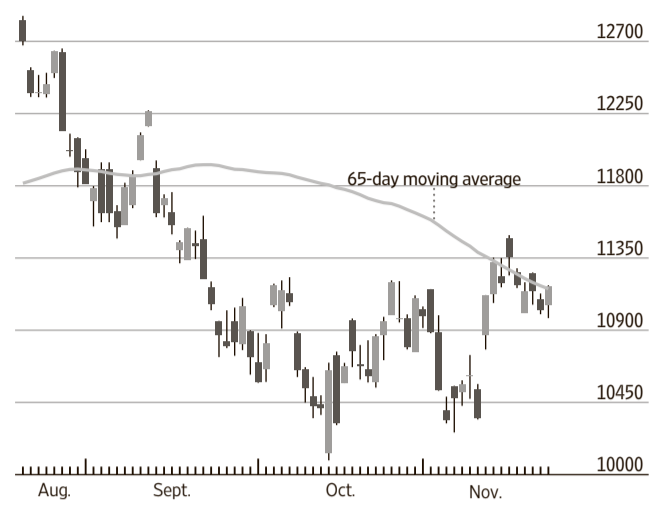
S&P 500 Index

4003.58 ▲ 53.64, or 1.36%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

11174.41 ▲ 149.90, or 1.36%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table with columns for Index Name, High, Low, Close, Net chg, %chg, 52-Week High, Low, %chg, YTD, and 3-yr. ann. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table listing companies like Itau Unibanco ADR, SPDR S&P 500, Vale ADR, etc., with columns for Volume, Last, Net chg, After Hours % chg, High, and Low.

Percentage gainers...

Table listing companies like Manchester United Cl A, Grindr, IO Biotech, etc., with columns for Volume, Last, Net chg, After Hours % chg, High, and Low.

Trading Diary

Volume, Advancers, Decliners

Table showing market statistics: Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, Unchanged, New highs, New lows, Closing Arms, and Block trades.

International Stock Indexes

Table with columns for Region/Country, Index, Close, Net chg, Latest % chg, and YTD % chg. Includes World, Americas, EMEA, Asia-Pacific, and various regional indices.

Percentage Gainers...

Table listing companies like Palisade Bio, Motorsport Games, Digital Brands Group, etc., with columns for Volume, Last, Net chg, Latest Session % chg, 52-Week High, Low, and % chg.

Percentage Losers

Table listing companies like Perfect, Grindr, Phoenix New Media ADR, etc., with columns for Volume, Last, Net chg, Latest Session % chg, 52-Week High, Low, and % chg.

Most Active Stocks

Table listing companies like Cosmos Holdings, Mullen Automotive, ProShares UltraPro QQQ, etc., with columns for Volume, % chg from 65-day avg, Latest Session % chg, 52-Week High, Low, and % chg.

Volume Movers

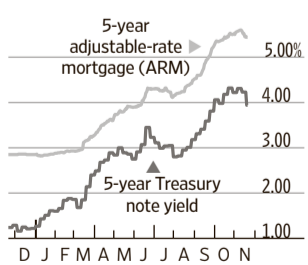
Table listing companies like Relativity Acqn Cl A, CIG Capital Partners II, PropTech Inv II Cl A, etc., with columns for Volume, % chg from 65-day avg, Latest Session % chg, 52-Week High, Low, and % chg.

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year

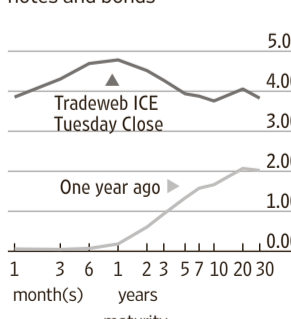


Selected rates

Table listing rates for Bankrate.com avg, Raymond James Bank, RTN Federal Credit Union, etc.

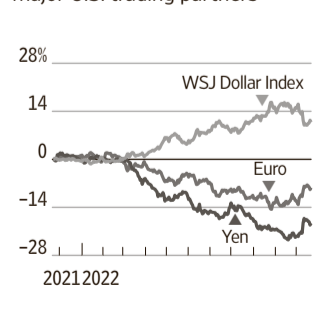
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Table listing bond total return indexes like U.S. Treasury, Aggregate, Fixed-Rate MBS, etc., with columns for Close, Yield, 52-Week High, Low, Total Return, and 3-yr.

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table listing exchange rates for various countries like Argentina, Brazil, Canada, etc., with columns for Country/currency, Last, Net chg, % chg, and YTD % chg.

Commodities

Table listing commodity prices like DJ Commodity, Crude oil, Natural gas, Gold, etc., with columns for Close, Tuesday Net chg, % chg, 52-Week High, Low, % chg, and YTD % chg.

Bankrate.com rates based on survey of over 4,800 online banks. *Base rate posted by 70% of the nation's largest banks. † Excludes closing costs.

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

MARKETS

Dow Gains 400 Points, With Focus on Fed

Best Buy is top performer in S&P 500 with 13% rise after reporting strong results

By Joe Wallace and Hardika Singh

Stocks rose in thin preholiday trading, with investors remaining focused on the path of the Federal Reserve's interest-rate increases.

The S&P 500 climbed 53.64 points, or 1.4%, to 4003.58, after dropping 0.4% in the previous session. The Dow Jones Industrial Average gained 397.82 points, or 1.2%, to 34098.10, and the Nasdaq Composite added 149.90 points, or 1.4%, to 11174.41.

Just 18.9 billion shares in New York Stock Exchange and Nasdaq-listed stocks changed hands on Monday and Tuesday, the lowest number in any two days since the period ended Jan. 3.

Still, there is much for investors to consider as they try to chart the market's trajectory.

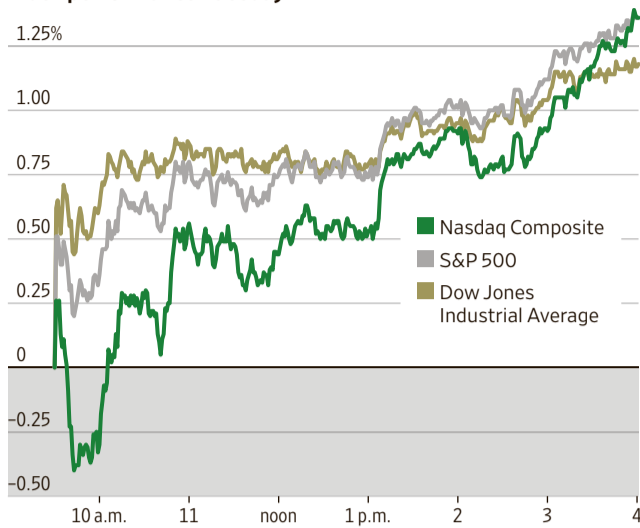
Rising Covid-19 cases in China have raised concerns among money managers about growth in the world's second-largest economy just weeks after the prospect of eased restrictions propelled stocks and commodities higher globally.

"The more negative tone out of China yesterday has only added to existing fears about a U.S. recession over the coming months," said Deutsche Bank strategist Jim Reid in a note.

Traders, meanwhile, are grappling with an uncertain outlook for interest rates in the U.S. The Fed has been aggressively raising interest rates this year to tame inflation, rattling everything from stocks to bonds to home sales. In 2023, investors largely expect the Fed to pause its rate-hiking cycle to allow the economy to absorb the effects of monetary tightening.

"They will pause. They want to make sure inflation is eradicated," said Jay Willoughby, chief investment officer at TIFF Investment Management, adding that falling home prices indicate that the Fed's efforts to cool the economy are working. Federal Reserve Bank of

Index performance Tuesday



Source: FactSet

Cleveland President Loretta Mester said Tuesday she and her colleagues are still focused on tackling inflation. Analysts expect the Fed to slow the increases to half a percentage point at its December meeting, down from a series of three-quarter-point increases.

The yield on 10-year Treasury notes edged down to 3.757% from 3.825% Monday.

That decline on the yield, which moves inversely to the price of the bonds, snapped a three-day streak of gains.

This year, short-term yields have climbed faster than long-term yields—leading to what is known as an inverted yield curve—which indicates expected economic contraction.

Investors are grappling with recessionary concerns and

the yield curve remains inverted. It's going to keep risk appetite muted," said Patrick Palfrey, senior equity strategist at Credit Suisse. Mr. Palfrey suggests investors hold cyclical stocks such as industrials, materials and financials.

Goldman Sachs said in a report Tuesday that it expects the S&P 500 to finish next year at 4000, near where markets closed Tuesday. Higher interest rates have left very few places for investors to hide. Some, however, believe next year could be a stock picker's market.

The oil market extended a recent bout of volatility. Prices rose after Saudi Energy Minister Prince Abdulaziz bin Salman said a production cut by OPEC and its allies is possible. Brent-crude futures edged up 91 cents, or 1%, to \$88.36 a barrel.

In currency markets, the WSJ Dollar Index declined 0.55%.

Among individual stocks, Best Buy gained \$9.05, or 13%, to \$79.88 and was the best performer in the S&P 500. The electronics retailer reported quarterly results that beat expectations and raised its out-

look. Dollar Tree fell \$12.87, or 7.8%, to \$152.37 and was the worst performer in the index. The discount retailer said it expects earnings to come in toward the lower half of its previous guidance for the year.

Overseas, the Stoxx Europe 600 rose 0.7%. Japanese markets are closed Wednesday for a holiday. Markets in Hong Kong, mainland China and South Korea were little changed. S&P 500 futures fell 0.1%.

AUCTION RESULTS

Here are the results of Tuesday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

ONE-YEAR, 11-MONTH FRNs

Applications	\$53,845,187,000
Accepted bids	\$22,000,102,000
* noncompetitively	\$69,187,000
Spread	0.140%
Bids at clearing yield accepted	45.23%
Cusip number	91282CF55

The floating-rate notes, dated Nov. 25, 2022, mature on Oct. 31, 2024.

SEVEN-YEAR NOTES

Applications	\$85,357,214,100
Accepted bids	\$38,805,040,100
* noncompetitively	\$38,917,200
* foreign noncompetitively	\$0
Auction price (rate)	99.988851 (3.990%)

Interest rate: 3.875%
Bids at clearing yield accepted: 64.18%
Cusip number: 91282CFY2
The notes, dated Nov. 30, 2022, mature on Nov. 30, 2029.

Russian Pulp Key To IP

Continued from page B1

up to about the size of South Carolina.

Western businesses have faced pressure to sever ties with Russia since the invasion, even if doing so costs them billions of dollars. But not every company has said it would leave, and even for those that have, such as IP, exiting can be complicated.

Ilim was a daunting venture when IP bought its stake 15 years ago, part of the flood of foreign investment that poured

into Russia in the decade after Vladimir Putin took over. Despite operating in a business climate beset by inefficiency, bureaucracy and corruption, Ilim developed into a cash cow.

IP has more than quadrupled the roughly \$720 million that it spent buying its half of Ilim, which owns three mills including one in Bratsk that sells pulp into China for paper towels and toilet paper. Through September, Ilim had contributed about \$250 million in earnings to IP, roughly 14% of its total through three quarters. Ilim also paid the Memphis, Tenn., company a \$204 million dividend in March.

IP executives, who declined to be interviewed for this article, have told investors they have engaged advisers and "identified serious options."

"The complexity of the situation and our joint-venture structure impact the pace of reaching a resolution. But we feel good about the progress we're making," Chief Executive Mark Sutton said on a call to discuss the company's third-quarter earnings.

Ilim was a bright spot in those results, which otherwise fell short of Wall Street's expectations and foretold challenges for IP and others in fiber packaging.

Demand has deteriorated for IP's main product, cardboard packaging, since hitting records during the pandemic box boom.

Inventories of containerboard, the material that is folded into boxes, are ample and more manufacturing capacity is coming from mills being converted from making

Total return, past three years



Note: Share price performance plus dividends; As of Monday

Source: FactSet

writing paper and newsprint.

Exports softened this summer, resulting in excess volumes that have already prompted downtime among

some big producers, said Brian McClay, a pulp consultant.

On Friday, trade publication Fastmarkets RISI's PPI Pulp & Paper Week, which surveys

buyers and sellers, said a benchmark containerboard price to which box prices are indexed fell 2.1%, or \$20 a ton, the first decline since the summer of 2019.

Analysts say IP and its competitors will need to curtail output even more to buoy prices. That has prompted questions on Wall Street over how IP, minus Ilim, will maintain its 5.04% dividend yield. Executives say they are committed to maintaining the payout.

IP has one of the highest dividend ratios in the S&P 500 stock index, which yields 1.67% overall.

The payout places IP among a shrinking number of stocks with yields higher than the 10-year Treasury note and makes it a popular holding for the dividend funds into which investors have flocked.

POCKET MONEY

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MarketWatch

