

THE WALL STREET JOURNAL.

What's News

Business & Finance

FTX founder Sam Bankman-Fried was arrested in the Bahamas after the U.S. filed criminal charges against him, authorities in the two countries said. **A1**

◆ **Microsoft will take** a 4% stake in the London Stock Exchange's corporate parent and help shift the exchange's financial data and trading platforms to the cloud. **A1**

◆ **Amgen's deal** to buy Horizon Therapeutics for \$278 billion is the biggest this year by a major pharmaceutical firm seeking new revenue sources to offset patent expiries. **A1**

◆ **Major U.S. stock indexes** jumped, with the S&P 500, Dow industrials and Nasdaq posting gains of 1.4%, 1.6% and 1.3%, respectively. **B1**

◆ **Twitter disbanded** its Trust and Safety Council on Monday night, according to an email viewed by The Wall Street Journal. **B1**

◆ **Twitter said** it reintroduced a new version of its paid subscription service, the second attempt in recent weeks to launch the feature. **B4**

◆ **News Corp named** veteran U.K. journalist Emma Tucker as the next editor in chief of The Wall Street Journal, succeeding Matt Murray. **B1**

◆ **Thoma Bravo is tapping** its newest and largest fund to date as it plans to take Coupa Software private in an all-cash acquisition with an enterprise value of \$8 billion. **B6**

◆ **Rivian said** it paused talks with Mercedes over a planned tie-up to produce electric vans in Europe, as part of a wider effort at the SUV and truck maker to conserve cash. **B3**

World-Wide

◆ **China's Ministry** of Commerce said it filed a complaint against the U.S. at the WTO in response to new controls from Washington on semiconductor trade with China, describing the action as a response to trade protectionism. **A2**

◆ **Ukraine rushed** to restore power supplies following the latest round of Russian attacks, while Zelensky spoke with Biden and other G-7 leaders after a flurry of weekend diplomacy aimed at strengthening sanctions on Russia. **A8**

◆ **The Energy Department** said it would announce on Tuesday a breakthrough in research on nuclear fusion, long heralded for its potential as a source of clean, essentially limitless energy. **A2**

◆ **Schumer said** Congress needed more time to reach a deal on funding the government for the remainder of fiscal 2023, proposing a one-week spending bill to give negotiators room to finalize an agreement. **A4**

◆ **Lawmakers are** struggling to reach bipartisan agreement on a year-end tax deal, and businesses and antipoverty advocates both look unlikely to get what they want. **A4**

◆ **The Justice Department** won't seek the death penalty against a Libyan explosives expert charged with assembling the device that blew up Pan Am Flight 103 in 1988, a federal prosecutor said. **A3**

◆ **China is abandoning** a nationwide mobile-tracking app that was a cornerstone of its Covid-19 containment strategy, even as cases continue to surge across the country. **A7**

CONTENTS
Personal Journal A11-12
Arts in Review... A13 Sports... A14
Business News... B3-6 Streetwise... B10
Crossword... A13 Technology... B4
Heard on Street... B12 U.S. News... A2-6
Markets... B11 Weather... A13
Opinion... A15-17 World News... A7-9



Protests Across Peru Spur New President to Move Up Vote



ON EDGE: Protesters took over an airport in Arequipa, Peru, as demonstrations by supporters of ousted President Pedro Castillo spread across the country. New President Dina Boluarte proposed holding early elections in a bid to end the protests. **A9**

London Exchange Stake Gives Microsoft Foothold in Finance

By JOSH MITCHELL

LONDON—Microsoft Corp. will take a 4% stake in the London Stock Exchange's corporate parent and help shift the exchange's financial data and trading platforms to the cloud, in a deal that reflects the growing use of data and tech in global finance.

The deal revealed on Monday calls for London Stock Exchange Group PLC, owner of Europe's biggest stock exchange by market value, to spend \$2.8 billion over the

next decade on Microsoft products, mainly its Azure cloud service.

The deal brings together one of the U.S.'s biggest tech companies with Europe's biggest market exchange, combining the former's cloud-computing and conferencing software with the latter's growing batch of financial data.

"We are building substantial new products together on an entirely different scale" from prior partnerships, LSEG Chief Executive Officer David Schwimmer said on a call with

analysts. "We will be investing together. We will be designing products together. We will be going to markets together."

LSEG shares were up 3% on Monday in London.

The deal reflects the growing symbiosis between big tech and financial-markets companies. Last year, Alphabet Inc.'s Google invested \$1 billion in futures-exchange giant CME Group Inc. and struck a deal to move the company's core trading systems to the cloud.

Weeks later, Nasdaq Inc. announced a deal to begin mov-

ing its North American markets to Amazon.com Inc.'s Amazon Web Services cloud-computing platform.

"It seems Microsoft (and the LSE) don't want to be left out," said Niki Beattie, CEO of consulting firm Market Structure Partners.

For tech companies, these deals guarantee a steady stream of cash from exchanges for the use of cloud services, she said.

In addition to the \$2.8 billion that LSEG has agreed to

FTX Founder Arrested In the Bahamas

Bankman-Fried faces U.S. charges of fraud, conspiracy, laundering in exchange's collapse

FTX founder Sam Bankman-Fried was arrested in the Bahamas after the U.S. filed criminal charges against him, authorities in the two countries said Monday evening.

By Alexander Saeedy, Justin Baer, Dave Michaels, Vicky Ge Huang and Andrew Scurria

Mr. Bankman-Fried, 30 years old, was arrested without incident shortly after 6 p.m. EST at his apartment in Nassau, the Royal Bahamas Police Force said.

The development is the latest bombshell in a case that has transfixed Wall Street and Washington since FTX, one of the largest crypto exchanges in the world, filed for bankruptcy last month after it ran out of cash and rival Binance walked away from a shotgun merger. At this time last year, bitcoin prices were about three times their current level and Mr. Bankman-Fried was being lauded as the public face of a blossoming industry.

Mr. Bankman-Fried's arrest was based on a sealed indictment filed by the U.S. Attorney's Office for the Southern District of New York, the U.S. attorney said. The charges include wire fraud, wire fraud conspiracy, securities fraud, securities fraud

Please turn to page A2

◆ Parents were at FTX founder's rise and fall..... A2

INSIDE



SPORTS

Messi turns from quiet genius to snarling avenger at the World Cup. **A14**



BUSINESS & FINANCE

Americans go on a luxury-shopping binge in Europe, aided by the strong dollar. **B1**

It's That Mariah Carey Song—Again

Nonstop Christmas tunes vex retail workers

By JOSEPH PISANI

Christian Graham doesn't want a lot for Christmas. In fact, there is just one thing he needs.

"Enough is enough," says Mr. Graham about Mariah Carey's mega hit, "All I Want for Christmas is You," which plays incessantly at the Chicago deli where he works. "Past a certain point, I might go crazy," he says.

It is allegedly the most wonderful time of the year, and retail workers are trapped in stores, restaurants and bars with yuletide anthems blaring on a loop. This shopping season kicked off early and so did the force-fed jolly. Do you hear

Please turn to page A10

Divide Emerges at Fed Over Inflation

Officials begin to disagree over how much to raise rates next year and for how long

By NICK TIMIRASO

In the past nine months, Jerome Powell has raised interest rates at the fastest pace of any Federal Reserve chair since the 1980s, triggering a market rout, bringing the housing market to a standstill and prompting fears of an imminent recession. That was the easy part.

When inflation was hitting 40-year highs, Fed officials were unanimous that rates needed to rise aggressively. Now cracks are beginning to emerge among them over how stubborn inflation has become and what they should do about it.

Some expect inflation to cool steadily next year and want to stop raising rates soon. Others worry inflation

won't ease enough next year, a scenario that calls for raising rates higher or holding them at that level for longer, boosting the chance of a sharp downturn.

That leaves Mr. Powell with the challenge of charting the next stage of interest-rate policy. He faces two difficult questions: how high to raise rates from here, and how long to hold them at that level to conquer inflation.

Mr. Powell repeatedly says he worries more about the risks of not doing enough to fight inflation than of doing too much, but also that the Fed is trying to strike a balance that avoids unnecessary economic pain.

"We've been pretty aggressive," he said at an event

Please turn to page A10

Amgen \$28 Billion Deal Tops Buying Spree by Drug Giants

By JOSEPH WALKER

Amgen Inc.'s deal to buy Horizon Therapeutics PLC for \$278 billion, which comes as the company faces the loss of patent protection on several blockbuster drugs, is the latest and biggest this year by a major pharmaceutical company seeking new revenue sources to offset patent expiries.

After holding fire during much of the pandemic, big pharmaceutical companies including Pfizer Inc. and Merck & Co. have been pulling the trigger on multibillion-dollar outlays for com-

panies with approved products and technologies that can fuel new sales.

To date, the companies have been making mostly small and midsize deals, often for launched products, to avoid the challenges of digesting large rivals and limit the risks that an experimental drug doesn't pan out.

Amgen's cash deal for Horizon, announced on Monday, is the largest in the biotech firm's history. It comes months after Amgen had paid \$3.7 billion for ChemoCentryx and its drug for rare immune-system diseases this year.

The acquisition would bring in Horizon's portfolio of rare-disease drugs that are projected to generate \$3.6 billion in sales this year and \$5.8 billion in 2027, according to analysts pulled by FactSet.

Amgen said it would use its expertise in manufacturing complex biological drugs and its global sales infrastructure to increase Horizon's drug sales by treating more patients in the U.S. and expanding sales in

Please turn to page A6

◆ Heard on the Street: Amgen will face an early test B12

Ghosn's Escape Helper Calls Japan Detention 'Torture'

By RIVER DAVIS

TOKYO—One of the two Americans who helped Carlos Ghosn flee Japan hidden inside a musical-equipment box said he had no regrets.

Peter Taylor, who was convicted in Japan for his role in the escape, said he was harshly treated in custody there. He said the experience persuaded him that the former Nissan Motor Co. chairman, who also spent several months behind bars in Tokyo, was justified in sneaking out of the country on a private jet.

"I'd do it again every day of the week and twice on Sunday," Mr. Taylor said. "Anyone who's forced to undergo those conditions for a nonviolent offense quite frankly totally deserves to escape."

Mr. Taylor recently completed a 14-month term in a prison south of Tokyo for his

role in the December 2019 escape of Mr. Ghosn, who now lives as an international fugitive in Lebanon. Before his escape, Mr. Ghosn had been living in Tokyo free on bail.

Mr. Taylor said that after he arrived in the U.S. and was released, he was suffering from vitamin D deficiency because he spent a total of fewer than 15 hours outside during his prison term.

The 29-year-old said he had lost around 40 pounds and walked with a limp because of a toe infection that he said prison medical staff wouldn't treat.

A representative of Japan's Ministry of Justice declined to comment on Mr. Taylor's case.

The ministry is dealing with a separate prison issue it disclosed this past Friday, in which it said guards in Nagoya slapped prisoners and sprayed

Please turn to page A8

U.S. NEWS

U.S. to Reveal Fusion-Energy Advance

The U.S. Energy Department said it would announce on Tuesday a breakthrough in ongoing research on nuclear fusion, long heralded for its potential as a source of clean, essentially limitless energy.

By Jennifer Hiller,
Eric Niiler
and Aylin Woodward

A spokeswoman for the Lawrence Livermore National Laboratory in Livermore, Calif., where the research was conducted, declined to comment on details of the research. She said the experimental data was still being analyzed.

The lab's National Ignition Facility uses nearly 200 lasers to heat hydrogen atoms to temperatures of more than 180 million degrees Fahrenheit and pressures more than 100 billion times Earth's atmosphere. The extreme conditions create a state of matter known as plasma, in which hydrogen atoms fuse and then release vast amounts of energy. The same process powers the sun and other stars.

The Financial Times earlier reported that the DOE's announcement related to fusion.

Nuclear fusion is of great interest to investors and dozens



The Lawrence Livermore National Laboratory uses lasers to create plasma, a hot charged gas.

of firms globally because of its promise as a source of energy that is more environmentally sustainable than sources based on fossil fuels or on nuclear fission, in which atoms are split rather than combined to release energy.

Current nuclear power plants create energy through nuclear fission, which produces about 10% of the world's electricity

and is carbon-free but generates radioactive waste that can last thousands of years.

Fusion produces neither that long-lived waste nor the carbon dioxide and other greenhouse gases that are generated by the burning of fossil fuels. It has the potential to create nearly limitless energy using common elements, such as hydrogen, and generating

energy by melding atoms.

"It's basically the biggest prize there is," said Phil Larochelle, partner at the Bill Gates-founded Breakthrough Energy Ventures, which has \$2 billion under management and invests in companies that can impact climate change.

More than \$5 billion in funding has poured into private fusion firms in recent years, ac-

ording to investments tracked by the Fusion Industry Association. Companies are pursuing different designs for fusion reactors, but most rely on fusion that takes place in plasma, a hot charged gas.

Mr. Gates and other deep-pocketed investors, including Jeff Bezos and Peter Thiel, are hoping to commercialize fusion amid a boom in clean-tech investing. Breakthrough has invested in two fusion ventures, Commonwealth Fusion Systems LLC and Zap Energy Inc.

More than \$5 billion in funding has poured into private fusion firms in recent years, according to investments tracked by the Fusion Industry Association. Companies are pursuing different designs for fusion reactors, but most rely on fusion that takes place in plasma, confined by powerful magnets. Firms pursuing laser inertial fusion have raised around \$180 million.

But fusion has a way to go before it can provide energy to the grid. One of the biggest obstacles to commercializing fusion has been its inability thus far to make so-called net energy gain, in which more fusion energy is output than input by the lasers used to heat the atoms.

China Files U.S. Chip Complaint With WTO

By YUKA HAYASHI
AND JAMES T. AREDDY

China's Ministry of Commerce said Monday it has filed a complaint against the U.S. at the World Trade Organization in response to new controls from Washington on semiconductor trade with China, describing the action as a response to trade protectionism.

Beijing will use the WTO's dispute settlement mechanism to challenge U.S. export controls on products such as chips to China to defend its rights and interests, its Ministry of Commerce said in a statement posted to its website.

The rules being challenged require U.S. chip makers to obtain a license from the Commerce Department to export certain chips used in advanced artificial-intelligence calculations and supercomputing.

Biden administration officials have said the rules are needed to prevent China from building up its military and developing new, state-of-the-art weaponry.

In its statement, the Chinese Commerce Ministry said that in recent years the U.S. has expanded its concept of national security, abused export-control measures, hindered the normal trade of semiconductors, threatened the stability of the global industrial supply chain, and taken other steps that disrupt the international economy. It said the U.S. actions violate international trade rules and laws, harming global peace and that the U.S. has conflated economic development and trade protectionism with its activity.

The statement urged the U.S. to abandon what it called zero-sum thinking and correct its mistakes in a timely manner and take steps to put trade between the countries on a normal footing and add stability to international supply chains.

A spokesman for the Office of the U.S. Trade Representative confirmed the U.S. has received a request for consultations from the People's Republic of China related to certain U.S. actions affecting semiconductors. "As we have already communicated to the PRC, these targeted actions relate to national security, and the WTO is not the appropriate forum to discuss issues related to national security," he said.

The filing of the new complaint follows a ruling by WTO panels last week that the U.S. violated international trade rules with its tariffs on imported steel and aluminum. The U.S. hinted it would appeal the decision.

CORRECTIONS & AMPLIFICATIONS

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

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

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

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

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

All Advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor:
Fax: 212-416-2891; email: wsjltrs@wsj.com

Need assistance with your subscription?
By web: customercenter.wsj.com;
By email: wsjsupport@wsj.com
By phone: 1-800-JOURNAL
(1-800-568-7625)

Reprints & licensing:
By email: customreprints@dowjones.com;
By phone: 1-800-843-0008

WSJ back issues and framed pages:
wsjshop.com

Our newspapers are 100% sourced from sustainably certified mills.

**GOT A TIP FOR US?
SUBMIT IT AT WSJ.COM/TIPS**

Bankman-Fried Is Arrested

Continued from Page One
conspiracy and money laundering, according to a person familiar with the matter.

"We expect to move to unseal the indictment in the morning and will have more to say at that time," said U.S. Attorney Damian Williams.

The Bahamas police said Mr. Bankman-Fried would appear in Magistrate Court on Tuesday in Nassau.

Mr. Bankman-Fried is considering whether to contest extradition, said a person familiar with his thinking.

The Securities and Exchange Commission also plans to sue Mr. Bankman-Fried Tuesday in Manhattan federal court for violations of U.S. securities laws, said Gurbir Grewal, director of the SEC's en-

forcement division. The SEC will accuse Mr. Bankman-Fried of securities fraud, a person familiar with the matter said.

Mr. Bankman-Fried was scheduled to testify before Congress Tuesday in a hearing probing the collapse of FTX, which appears to have resulted in the loss of billions of dollars of customer funds. Congressional aides said late Monday they no longer expected Mr. Bankman-Fried to testify but that FTX's current chief executive, John Ray III, would likely still appear before the committee.

Mr. Bankman-Fried has remained in the Bahamas since his company filed for bankruptcy. He moved FTX's headquarters to Nassau, the capital of the Bahamas, from Hong Kong in 2021.

The Justice Department and the Securities and Exchange Commission have been investigating the company and have been in contact with company officials, The Wall Street Journal previously reported.

FTX experienced massive withdrawals as customers

grew worried about its financial health this fall, and reports surfaced that the company had lent billions of dollars in customer assets to fund risky bets by Alameda Research, a crypto hedge fund controlled by Mr. Bankman-Fried.

Mr. Bankman-Fried has made a number of public appearances in recent weeks, and he has denied knowingly com-

The SEC plans to accuse the 30-year-old entrepreneur of securities fraud.

mingling customer funds with FTX's own.

Mr. Bankman-Fried has been cooperating with Bahamian authorities since early November, according to court papers filed by the bankrupt FTX. A Bahamian court appointed liquidators to wind down FTX Digital Markets Ltd., a local subsidiary that housed

FTX's international exchange.

As the bankruptcy case has proceeded, FTX has found itself ensnared in a number of disputes with global regulators, some of whom have sought to seize the company's assets on behalf of national customers. FTX has withheld some of their access to bank accounts and internal systems, citing the legal protections they are afforded by filing for bankruptcy in the U.S.

Lawyers for the Bahamian liquidators have for their part said that Mr. Ray and his associates have withheld their access to corporate records, including Google Drive documents and Slack messages, which they require to identify the company's assets and investigate potential claims.

As FTX was collapsing last month, Mr. Bankman-Fried tried to placate Bahamian authorities by offering to let customers in the country withdraw funds from the exchange even though withdrawals across FTX.com had been suspended, according to

lawyers for the firm's new management.

In court papers filed Monday, they cited an email that Mr. Bankman-Fried wrote to the attorney general of the Bahamas on Nov. 9 that FTX "would be more than happy to open up withdrawals for all Bahamian customers on FTX, so that they can, tomorrow, fully withdraw all of their assets, making them fully whole."

Mr. Bankman-Fried then reopened withdrawals for more than 25 hours, allowing nearly \$100 million in cryptocurrency to be withdrawn from the exchange by "1,500 individuals and entities purporting to be Bahamian customers," according to FTX's filing.

"No other customers of FTX entities were given such an opportunity for preferential treatment," according to FTX's filing, which said it continues to investigate the identities of those who withdrew the crypto.

—James Fanelli
and Paul Kiernan
contributed to this article.

Parents Were at FTX Founder's Rise and Fall

By JUSTIN BAER
AND HARDIKA SINGH

Sam Bankman-Fried, founder of the collapsed exchange FTX, always stood apart from other crypto entrepreneurs.

His parents, as Mr. Bankman-Fried would note in meetings with Washington policy makers, are professors at Stanford Law School. Their reputations were a credential to their son as he grew his crypto empire.

FTX failed last month, brought down after revelations that it used customer funds to prop up a sister trading firm. The company is in bankruptcy proceedings. Regulators and prosecutors are investigating. Customers don't know if they will ever get their money back. And now Mr. Bankman-Fried has been arrested in the Bahamas.

Joseph Bankman and Barbara Fried remained by Mr. Bankman-Fried's side—as legal advisers, a person familiar with the matter said, but mainly as parents to a son who is in trouble.

Before FTX's collapse, Mr. Bankman was a paid employee of the company for almost a year. He joined his son in meetings with Washington policy makers, expanded its philanthropic endeavors and helped connect his son to at least one major investor. And when Mr. Bankman and Ms. Fried visited their son in the Bahamas, where FTX is based, the company provided a place for them to stay. They have been in the Bahamas with their son for more than a month, as the company's problems have cascaded. They have told friends that their son's legal bills will likely wipe them out.

"We hope this gives us some wisdom," Mr. Bankman said recently, according to people close to him. "Otherwise, it would be too hard to take."

A spokeswoman for Mr.

Bankman and Ms. Fried wouldn't comment on whether they are giving their son legal advice. Their friends, some of them legal scholars, said Mr. Bankman-Fried's media appearances are a mistake that could put him deeper in legal jeopardy. "They want him to protect himself, and he won't," said Larry Kramer, a former dean at Stanford Law and family friend.

On an FTX podcast in August, Mr. Bankman confirmed he had become increasingly involved with FTX's philanthropy over the past year. One project was figuring out how to get bank accounts and crypto wallets to unbanked Americans, he said. Mr. Bankman said on the podcast that he started working with his son at Sam's request. "I think any parent would love to hear that," Mr. Bankman said then.

Mr. Bankman helped his son find outside counsel for his crypto-trading venture, Alameda Research, in 2017, the year Alameda started, according to a person familiar with the matter. "I mean the company didn't have any lawyers," Mr. Bankman said in the August podcast. "So I think my utility there was pretty obvious."

Mr. Bankman later served as a paid employee of FTX for 11 months, primarily focused on its charity efforts, the spokeswoman said. Ms. Fried wasn't involved in the company, the spokeswoman said.

Mr. Bankman-Fried visited Washington often to lobby for the crypto industry. On several occasions, Mr. Bankman joined his son and his team for meetings with policy makers and other officials, people familiar with the matter said. Mr. Bankman didn't contribute during the meetings, one former FTX executive said, but the team found his insights helpful.

Last year, Mr. Bankman spoke to Orlando Bravo, the private-equity titan. Mr. Bravo had



Sam Bankman-Fried's father helped him find outside counsel for his crypto-trading venture, Alameda Research.

been Mr. Bankman's law student. Mr. Bravo was interested in investing in FTX and Mr. Bankman helped connect him to his son, people familiar with the matter said. The discussions were reported previously by the Financial Times. Mr. Bravo's firm, Thoma Bravo LP, would invest \$130 million.

In the Bahamas, FTX spent millions of dollars on housing for employees in exclusive beachside developments. FTX bought a home that Mr. Bankman and Ms. Fried frequently occupied. Reuters reported that Mr. Bankman and Ms. Fried were listed as signatories on one home in Old Fort Bay, a gated community.

"Joe and Barbara never intended to and never believed they had any beneficial or economic ownership in the house," their spokeswoman said. "Over the summer, they requested FTX counsel and outside counsel take steps to clarify the company's beneficial ownership of the house." They are no longer staying at the house, the spokeswoman added.

The new FTX chief executive and board, who are seeing the

company through its bankruptcy, are trying to reclaim FTX assets in order to return money to stakeholders.

Ms. Fried and Mr. Bankman met in the late 1980s, when they were both teaching at Stanford. Students, some of whom have gone on to be federal judges, Silicon Valley bosses and billionaire investors, repeatedly voted them their favorite teachers. Ms. Fried and Mr. Bankman raised their two sons on the Stanford campus.

Matt Nass, whose father was a Stanford professor, was a childhood friend of Sam's. When Mr. Nass's father died suddenly in 2013, Ms. Fried and Mr. Bankman offered him a place to stay. He lived with them for several years. "From then forward," Mr. Nass said, "I thought of them as parents."

Several of Ms. Fried and Mr. Bankman's friends said they rarely drew attention to the achievements of Sam and his younger brother, Gabe.

Watch a Video



Scan this code for a video on why FTX moved its headquarters to the Bahamas.

U.S. NEWS

Pan Am Suspect Won't Face Death Penalty

Alleged bomb maker is first to appear in a U.S. court to face prosecution for attack

The Justice Department won't seek the death penalty against a Libyan explosives expert charged with assembling

By *Sadie Gurman in Washington and Benoit Faucon in London*

the device that blew up Pan Am Flight 103 over Lockerbie, Scotland, in 1988, a federal prosecutor told a judge on Monday.

Abu Agila Mohammad Masud was the first suspect to appear in a U.S. courtroom to face prosecution for one of the deadliest terrorist attacks in history, as some Libyan officials said his arrest and rendition to the U.S. had been illegally undertaken with the aid of militia groups that the United Nations has accused of human rights violations.

Mr. Masud, bearded and wearing a green jail uniform, appeared in a federal courtroom in Washington, D.C., on Monday, a day after officials announced his arrest by the FBI.

Attorney General Merrick Garland on Monday called the arrest and November indictment an "important step forward in our mission to honor the victims and pursue justice on behalf of their loved ones."

Prosecutors said they wouldn't pursue capital punishment because Congress didn't update the federal death-penalty statute to comply with Supreme Court decisions until 1994, six years after the bombing.

Authorities allege that Mr. Masud constructed the bomb used to destroy the commercial jetliner on Dec. 21, 1988, as it flew from London to New York. The attack killed the 243 passengers and 16 crew on board. Falling debris killed 11 more people.

Mr. Masud's arrest means families of the victims can for the first time see a suspect in the bombing prosecuted in the U.S. Two other suspects were tried in Europe more than 20 years ago.

"It was really gratifying" to see Mr. Masud in a U.S. courtroom, said Paul Hudson, whose 16-year-old daughter, Melina, was killed in the bombing. "This is something many of us thought would never happen."



Abu Agila Mohammad Masud, in green, is shown listening to Assistant U.S. Attorney Erik Kenerson with Mr. Masud's attorney, Whitney Minter, a public defender, at his side in a courtroom sketch.

Of prosecutors' decision not to pursue a death sentence, he added: "It was a bit of a surprise, but prosecutors explained the legal aspects of it."

Mr. Masud said little in court, except to acknowledge understanding the charges against him. He will remain detained pending further proceedings over the next few weeks, Magistrate Judge Robin M. Meriweather ruled.

"I cannot talk before I see

my attorney," Mr. Masud said through an Arabic translator.

Investigators in the U.S. and U.K. believe the attack was carried out by Libyan intelligence operatives. In 2003, the Libyan government acknowledged responsibility in a bid to normalize relations with Western countries and end United Nations sanctions. Longtime Libyan dictator Moammar Gadhafi denied personal involvement in the attack. Gadhafi was killed in

2011 in a civil war aimed at toppling his regime.

A grand jury indicted Mr. Masud on Nov. 29 on charges including destruction of aircraft resulting in death and destruction of a vehicle by means of explosives, serious allegations that could carry decades in prison if he is convicted.

In his confession, according to prosecutors, Mr. Masud said that he had worked with two other Libyan intelligence offi-

cial to carry out the attack.

The two officials, Abdel Baset al-Megrahi and Lamem Khalifa Fhimah, came to his hotel in Malta in the days before the bombing, instructed him to set a timer on an explosive device packed inside a suitcase to go off 11 hours later, and handed him \$500 to purchase clothes to put in the suitcase, according to the 26-page affidavit.

Libyan authorities released Mr. Masud three months ago because he had cancer but special forces based in Misrata, Libya, recently detained him again, a person familiar with the matter said.

According to Libyans familiar with the operation, in detaining Mr. Masud U.S. authorities received the assistance of a Libyan militia that the United Nations has cited for human rights violations. He was seized by a Libyan armed group from his home in the Tripoli neighborhood of Abu Salim two weeks ago and delivered to the U.S. government, a relative of Mr. Masud told The Wall Street Journal.

U.S. national security adviser Jake Sullivan said Monday: "This was done in a lawful manner according to established procedures."

L.A. Declares Homeless Emergency

By *CHRISTINE MAI-DUC*

Los Angeles Mayor Karen Bass declared a state of emergency related to homelessness in her first act since taking office Monday, a move she said would allow the city to take a faster approach to moving unhoused people inside.

"It is the start of a new, urgent and sustained approach to our greatest challenge," Ms. Bass said. "It shows the people of Los Angeles that we are united and serious about the city's crisis of homelessness."

Ms. Bass said an emergency approach would allow the city to marshal resources and fast-track building and acquisition of badly needed interim and permanent housing. As she made the announcement, she was flanked by the Los Angeles County Board of Supervisors President Janice Hahn, Los Angeles City Council President Paul Krekorian and a slate of newly elected citywide officials.

Roughly 40% of California's homeless population lives in Los Angeles County, which

saw 12% growth in unsheltered homeless people between 2020 and 2022.

The pandemic unlocked tens of millions of dollars in emergency funding that allowed city and county officials to house people more rapidly than ever. Those programs, however, are coming to an end even as more people continue to become homeless as a re-

About 69,000 people in Los Angeles County are homeless, February data show.

sult of the region's high cost of living and dearth of affordable housing.

About 69,000 people in Los Angeles County are homeless, according to data from the Los Angeles Homeless Services Authority collected in February 2022.

Ms. Bass, a Democratic former congresswoman, also

promised to unveil details of a new city program to focus on cleaning up large encampments throughout the city by leasing entire motels and hotels to house those coming in off the streets.

The emergency declaration itself matters less than the action Ms. Bass and others take afterward, said Tommy Newman, vice president of United Way of Greater Los Angeles, a group that advocates for permanent housing for the homeless and helped pass a new countywide tax to fund such programs.

He said he would be looking to Ms. Bass to begin identifying specific city-owned parcels that could become housing and setting concrete timelines for building it.

Mr. Newman said Ms. Bass must also manage her relationships with a city council that has been roiled by scandal and historically held a tight but fractured grip on the city's approach to homeless encampments.

"I think we're all hopeful the emergency declaration will

give Mayor Bass most of the tools and the political space to do exactly that," Mr. Newman said.

California Gov. Gavin Newsom, also a Democrat, threatened weeks ago to hold back funding for cities and counties to address homelessness and rejected plans they submitted to do so, calling them inadequate. He later reversed himself and disbursed the funds to jurisdictions that promised to submit more aggressive goals.

During the campaign, Ms. Bass pitched herself as a coalition builder with a track record of brokering deals in the state Legislature and in Congress who could leverage relationships built over decades in office.

On Sunday, when Ms. Bass was sworn into office, she promised to call for help officials in all levels of government, including several in the audience such as Vice President Kamala Harris, Mr. Newsom and her former congressional colleagues. "Look for me on your caller ID," she said.



A snowplow made its way to an area hit hard by the storm in the East Mountains in the Albuquerque, N.M., area on Monday.

Blizzards, Heavy Snow to Hit Central U.S.

By *JOSEPH PISANI*

A major winter storm system was expected to hit the central U.S., after dumping several feet of snow in western states, where schools were closed and thousands lost power.

The storm was expected to strengthen late Monday and into Tuesday as it moved east, bringing "significant, widespread weather hazards," the National Weather Service said.

Blizzard warnings were in effect in eastern Wyoming and central Nebraska, where 50

mile-an-hour winds could blow snow onto roads, making driving difficult or impossible.

Whiteout conditions and possible road closures were expected east of Denver, which was also under a blizzard warning. Weather officials in Denver urged people to travel only for emergencies and to have food, water and blankets ready at home.

The greatest amount of ice was expected to accumulate across parts of Iowa, North Dakota, Minnesota and South Dakota.

Over a tenth of an inch of ice was expected in those loca-

tions, the National Weather Service said.

Nearly 3 feet of snow fell over the weekend in the Lake Tahoe area, which straddles the California and Nevada border.

Schools there were closed Monday because of downed trees, blocked roads and power outages at several schools. Liberty, a utility, said more than 7,500 customers were without power Monday morning.

Schools were also closed Monday in several Idaho districts, including in Boise, which had as much as 3

inches of snow.

The National Weather Service said the storm was expected to strengthen throughout the week before it starts to stall Thursday over the central plains.

Temperatures will be 10 to 20 degrees below average for this time of year, the National Weather Service said.

Watch a Video



Scan this code for a video on the winter storm moving across the U.S.



The Streamliner

by H. Moser & Cie.

Under the minimalistic fluid lines and the integrated bracelet lies a heart of unimaginable complexity unique to each model.

The Streamliner Collection by H. Moser & Cie.



hmoser.com

SIDNEY GARBER

SINCE 1946



PLUME EARRINGS
18K YELLOW GOLD WITH DIAMONDS

SIDNEYGARBER.COM
877 427 2377

BROOKE GARBER DONATES ALL HER PROFITS TO ORGANIZATIONS DEDICATED TO CHILDREN'S MENTAL HEALTH, THE ARTS, RACIAL JUSTICE & ENDING GUN VIOLENCE.

U.S. NEWS

Hopes Fade for Tax Deal by Year-End

By RICHARD RUBIN

WASHINGTON—Lawmakers are struggling to reach bipartisan agreement on a year-end tax deal, and businesses and antipoverty advocates both look unlikely to get what they want.

Republicans and many companies want to reverse, prevent or delay some tax increases on businesses that were scheduled in a GOP-backed 2017 tax law and that began taking effect this year. Democrats, who control the House and Senate, have expressed openness to some changes, but they want to expand the child tax credit at the same time.

With just a few weeks remaining before the new Congress starts Jan. 3, key members of Congress haven't agreed to any such deal, lawmakers and aides said. And even if they do reach an agreement, it would likely need to be included in a broad federal-spending package—which also is stalled.

Barring a last-minute breakthrough, many businesses will face higher taxes because of changes to how they can deduct research costs and interest expenses. For families, the child tax credit would remain at its current levels, without reinstating temporary expansions that Democrats implemented in 2021. Those changes expired at the end of last year.

Discussions are continuing, Senate Finance Committee Chairman Ron Wyden (D., Ore.) said recently. Waiting until next year, with Republicans taking control of the House and Democrats retaining their Senate majority, wouldn't necessarily resolve any of the obstacles.

"The longer you pass on opportunities to solve problems, the bigger, the deeper the ditch you're in," he said. "When you really want to do something, you often can find a way."



Senate Finance Committee head Ron Wyden said recently that discussions on business tax breaks and the child tax credit are continuing.

The interest in a tax bill stems from the way Republicans constructed the 2017 tax law. To help pay for a corporate-tax-rate cut, they scheduled three revenue-raising changes to take effect later.

Starting this year, businesses must spread their research costs over many years rather than deducting them immediately. That shifts tax revenue from the future to the present.

Tighter limits on interest deductions also took effect this year. And starting in January, full deductions won't be available for capital investments.

The research change has drawn the most intense corporate interest, including concern from companies such as Lockheed Martin Corp., Netflix Inc. and Cisco Systems Inc.

Many Democrats, citing the

benefits of encouraging American innovation and research, have joined Republicans in support of delaying or reversing the research-expense change. But some Democrats have said they shouldn't resolve a problem created when Republicans controlled the House, Senate and White House without getting something for it.

"Our ask is simple: If we can provide tax cuts for America's corporations, we can certainly provide a tax cut for America's kids," said Rep. Rosa DeLauro (D., Conn.), who heads the House Appropriations Committee and is a leading child-tax-credit advocate.

Ms. DeLauro, the Biden administration and others would pair business tax breaks with an expansion of the child tax credit. The credit still exists, but an expanded version Democrats created during the

Covid-19 pandemic, which had monthly payments and no family-income requirement, expired at the end of 2021.

Democrats would prefer the 2021 version of the credit, and they would like it to be permanent. But some said they are open to a more modest, temporary expansion. Sen. Michael Bennet (D., Colo.) said he is focused on the 19 million children whose families don't get the full credit because of minimum-income requirements.

"My goal is to cover as many of them as possible, and I am open-minded about how to do that," he said.

But talks about tailoring that child-credit expansion haven't advanced either.

"It's late," said Sen. Pat Toomey (R., Pa.). "And I don't know what they have in mind."

Sen. John Thune (R., S.D.) said Republicans want to extend the expiring business provisions, but "the Democrats always have a ransom."

Lawmakers are more optimistic about attaching retirement-savings legislation to a must-pass spending bill. That measure would increase the minimum age for required distributions from tax-deferred accounts. It would also expand a savings tax credit for lower-income households.

The House passed one version, and the Senate Finance Committee advanced another. Lawmakers are confident they can reach a compromise. It is likely to include the Senate's refundable version of the savings credit for lower-income people, making that available to households without income-tax liability, said Sen. Ben Cardin (D., Md.).

Schumer Proposes Funding Extension

By SIOBHAN HUGHES

WASHINGTON—Senate Majority Leader Chuck Schumer (D., N.Y.) said that Congress needed more time to reach a deal on funding the government for the remainder of fiscal 2023, proposing a one-week spending bill to give negotiators room to complete an agreement.

The government will partially shut down starting Saturday if Congress doesn't act to extend funding. Government departments are funded through a so-called continuing resolution, or a CR, that runs through Dec. 16.

"Over the weekend, appropriators held positive and productive conversations, enough that both sides are moving forward in good faith to reach a deal, even if it's not going to be everything both sides want," Mr. Schumer said. "Later this week, members should be prepared to take quick action" on a one-week spending bill, he said to buy more time for an omnibus deal.

Senate Minority Leader Mitch McConnell (R., Ky.) also signaled that an omnibus spending bill remained a viable option, but he said that Democrats needed to meet Republican conditions. Those include funding military programs at \$858 billion—the level set by a defense policy bill up for a Senate vote this week—and funding nondefense programs at levels requested earlier this year by President Biden.

Democrats generally agree with the GOP on the defense portion. Heading into the weekend, however, they had wanted about \$26 billion more on nondefense spending, in part to cover additional costs for veterans' healthcare after Congress passed a law expanding benefits to veterans exposed to certain toxins.

"If House and Senate Democratic colleagues can accept these realities in the very near future, we may still have a shot at accepting a full-year funding bill," Mr. McConnell said. "If our Democratic colleagues can't accept those realities, the option will be a short-term bipartisan funding bill into early next year."

The government will partially shut down starting Saturday if Congress doesn't act.

Republicans will control the House in January, meaning the dynamics of passing a funding package will be different. Conservatives in the GOP are eager to curb spending, and party leader Kevin McCarthy, who will need conservatives to win election as House speaker, has said he would like lawmakers to kick negotiations into next year.

Democratic negotiators already have begun drafting an omnibus spending bill in hopes of quickly putting legislation on the floor for a vote once Republicans and Democrats can agree on overall spending levels.

If Congress can't reach an agreement on an omnibus spending bill—which combines 12 different annual spending bills into a single package—two fallback positions emerge: Pass a continuing resolution extending through Sept. 30, as House Speaker Nancy Pelosi (D., Calif.) has suggested; or pass one through early next year, as some Republicans have floated.

Democrats have indicated that a full-year continuing resolution also could include earmarks requested by individual lawmakers to steer money to their own districts.

People who work within government chafe at continuing resolutions, which force them to operate within the same budgetary restrictions even as costs rise and priorities change.

Without new legislation, the government lacks the flexibility to orient their budgets around new programs and do related new hiring.

Republicans Say They Will Question Twitter

By NATALIE ANDREWS

WASHINGTON—The disclosures made by new Twitter owner Elon Musk about content moderation on the social network, particularly its handling of news about Hunter Biden before the 2020 election, have added fuel to the fire for House Republicans eager to investigate the company when they take the majority in January.

Mr. Musk purchased the social network in October and has recently been working with journalists to distribute internal documents that dealt with the platform's decision to temporarily curb sharing of

New York Post articles about President Biden's son, Hunter Biden, shortly before the 2020 election, as well as Twitter's decision to remove then-President Donald Trump from the platform two days after the Jan. 6, 2021, Capitol attack.

The disclosures have been dubbed the "Twitter Files" by the journalists, and Mr. Musk has alleged Twitter's previous management aided Democrats by temporarily suppressing October 2020 articles from the New York Post. The Post reported on documents and photos obtained from the laptop

of Hunter Biden, which had been abandoned at a Delaware computer repair shop. Former members of the intelligence community signed a letter in October 2020 asserting that the information relating to Hunter Biden had "all the classic earmarks of a Russian information operation."

Twitter partially backtracked within two days, allowing the articles to be linked in tweets, but froze the Post's Twitter account for two weeks.

The Post and The Wall Street Journal are both owned by News Corp.

House Minority Leader Kevin McCarthy (R., Calif.) has pledged that Republicans will investigate the younger Biden and how conservatives are treated on social networks. On Saturday Mr. McCarthy said on Fox News that he wanted to have a House committee hear testimony from the former intelligence officials who signed the October 2020 letter.

Many Republicans have questioned whether Hunter Biden's business dealings, which included serving on the board of Ukrainian energy company Burisma, have affected U.S. policy while his father was



House Minority Leader Kevin McCarthy has pledged investigations.

vice president or president and allege the son's activities have compromised his father's administration. Both Bidens have denied wrongdoing, and Hunter Biden has said that serving on the Burisma board showed poor judgment.

The Wall Street Journal hasn't found evidence that President Biden was directly involved in his son's business activities. A former business partner of Hunter Biden, Tony Bobulinski, alleged shortly before the 2020 election that the senior Mr. Biden was part of discussions to form an invest-

ment venture with a Chinese oil company. The Biden campaign denied Joe Biden had any involvement in the venture or stood to gain by it.

Rep. Gerald Connolly of Virginia, a candidate to be the top Democrat on the House Oversight Committee in the next Congress, said the GOP's calls for investigations of Twitter and Hunter Biden were a repeat of past Republican probes "that went nowhere."

"If Republicans wish to base their witch hunts on the delusions of Twitter CEOs, the American public will see it for

the shameful distraction it is," he said.

The network also banned then-President Donald Trump after the January 2021 riot at the Capitol by a mob of his supporters trying to overturn his 2020 election loss. Mr. Musk recently gave the former president access to his account, but he hasn't returned to the platform.

"It is vindicating, but I think the biggest takeaway is that it was worse than we thought," said Ohio GOP Rep. Jim Jordan, who will head the Judiciary Committee next year.

Democrats have been more divided on how Twitter handled the 2020 elections. Democratic Rep. Ro Khanna, who represents Silicon Valley and sits on the Oversight Committee, noted on Fox Business on Sunday that the New York Post has never written positively about him, but said "that doesn't mean you can stop publishing their pieces or articles."

—Alexa Corse contributed to this article.

- ◆ Twitter disbands its Trust and Safety Council..... B1
◆ New subscriber service is revamped..... B4

FROM PAGE ONE

Microsoft Buys Stake In LSEG

Continued from Page One spend on the Azure cloud, Microsoft expects to earn an additional \$2.2 billion over 10 years from traders, investors, and financial advisers who do business with the LSEG and use the cloud, it said.

For exchanges, the deals allow them to make greater use of data and reach a broader set of customers.

"The use of data and processing is ramping up so significantly that it will be hard to move forward at pace if they are not thinking about how to re-platform their offer-



The deal reflects the growing symbiosis between big tech and financial-markets companies.

ings on the cloud," Ms. Beattie said.

The LSEG has staked its future on selling data, a way to diversify away from the low-margin stock-exchange business.

In 2021, it completed the purchase of financial-informa-

tion and terminal business Re-finitiv Holdings Ltd. from a consortium of Blackstone Inc. and Thomson Reuters Corp.

Microsoft is taking the unusual step of buying an ownership stake in a client—it will acquire the LSEG shares from

the Blackstone-Reuters consortium. Microsoft didn't disclose how much it would pay for the shares.

Judson Althoff, Microsoft's executive vice president and chief commercial officer, said the equity stake made sense

given how long and closely the two companies will be working together.

Mr. Schwimmer said the equity stake aligns incentives between LSEG and Microsoft and allows the consortium to move forward with a plan to sell its LSEG stake.

"We don't need capital—we generate a lot of cash flow—and we don't have any need to sell equity," he said.

Mr. Althoff compared the potential new products that emerge from the partnership to a Zoom video call that allows participants to pull up research notes, share documents, and type into a group chat all at once.

Financial advisers will be able to do that using LSEG's data with one screen, he said.

"This will revolutionize the way financial advisers provide advice to their clients," he said.

U.S. WATCH

WASHINGTON, D.C.

High Court Rejects Title IX Appeal

The Supreme Court said Monday it won't take the plunge into a dispute over Michigan State University's decision to end its swimming-and-diving teams, a decision female athletes sued over.

As is typical, the justices didn't comment in turning away the case.

The dispute stems from MSU's decision to end its men's and women's swimming-and-diving teams after the 2021 season. The school cited cost as the reason, saying its swimming and diving facilities needed millions in upgrades.

Members of the women's team sued saying the decision violated federal anti-discrimination law, commonly known as Title IX. A judge rejected a request to keep the women's team alive while the lawsuit proceeded, saying she doubted the female swimmers would prevail at the end of the litigation.

But a three-judge federal appeals court panel later ruled 2-1 that the judge should take another look at the case. On reviewing the case, the judge didn't order the team reinstated but told MSU it must develop and submit its own Title IX compliance plan.

School officials have said they're discussing reinstating the swimming-and-diving program.

—Associated Press

INDIANA

GOP Senator Makes Bid for Governor

First-term Republican Sen. Mike Braun announced Monday he was running for Indiana governor, opening a Senate seat in the solidly Republican state in 2024.

"I'm a Main Street businessman, not a politician, and I want every Hoosier to have a chance at the American dream that I built here in Indiana," Mr. Braun said on Twitter. He had filed paperwork to run last month.

Mr. Braun was first elected to the Senate in 2018, beating Democratic Sen. Joe Donnelly by about 6 percentage points. The former state legislator ran as a



MONUMENTAL MOVE: Workers laid a bronze statue of Confederate Gen. A.P. Hill onto a flatbed truck in Richmond, Va., as the last city-owned Confederate monument was removed Monday. Workers still plan to exhume the remains of the general in the statue's base.

new-to-politics businessman in the mold of then-President Donald Trump.

Indiana is seen as a solid Republican state and the competitive races in 2024 are likely to be in the GOP primaries rather than the general election. Mr. Trump won the state by 16 percentage points in 2020.

In the governor contest, the state's GOP lieutenant governor, Suzanne Crouch, and Eric Doden, a Republican businessman, are also running for the post. The current governor, Eric Holcomb, was first elected in 2016 and is limited to two terms in a row.

—Eliza Collins

TEXAS

Coach Arrested For Alleged Assault

Chris Beard, the head coach of the University of Texas men's basketball team, was suspended following his arrest Monday for allegedly assaulting someone in his household.

The university said in a statement Mr. Beard was suspended

indefinitely without pay. "The university takes matters of interpersonal violence involving members of its community seriously," the school said.

The team's associate head coach, Rodney Terry, will replace him for Monday night's game.

Austin police arrested Mr. Beard Monday morning and charged the 49-year-old with felony third-degree assault during which the person's breath was impeded, a spokesperson for the police department said.

According to a police statement Monday afternoon, a woman told responding officers Mr. Beard assaulted and strangled her.

Mr. Beard was booked at the Travis County jail at 5:18 a.m. with no set bond amount, according to records from the county sheriff's office. A third-degree felony in Texas holds a possible punishment of between two and 10 years in prison.

Perry Minton, an Austin-based lawyer representing Mr. Beard, said Monday the coach was innocent.

Mr. Beard became head coach of the men's basketball team in

April 2021 with a seven-year, \$35 million contract. Before the Texas Longhorns, he was the head coach for five years at Texas Tech, where the team advanced to the 2019 national championship game in the NCAA tournament.

The Texas Longhorns are the No. 7-ranked team in the nation, according to the latest Associated Press poll released Monday, dropping from No. 2 last week.

—Jennifer Calfas

FEDERAL GOVERNMENT

Monthly Deficit Hits A Record \$249 Billion

The monthly federal deficit was a record-setting \$249 billion in November, \$57 billion wider than the same month last year.

The federal government spent \$501 billion last month, a \$28 billion increase, while tax revenue dropped by \$29 billion compared with last November, with the government collecting \$252 billion. Adjusting for calendar differences in last year's tax receipts, government tax revenue dropped

\$13 billion compared to last November, the Treasury Department said Monday.

The deficit narrowed sharply last fiscal year as broad fiscal support during the pandemic ended. Rapid economic growth also helped power tax revenue. Both those trends are on track to end.

Government spending won't again drop precipitously as Congress has stopped approving huge, one-time aid programs. As the Federal Reserve rapidly raises interest rates to combat the highest inflation in decades, a slowing economy could result in lower tax receipts.

The Fed's tightening is also expected to create higher borrowing costs for the government. The Treasury spent 53% more on borrowing costs this November than it did last November.

With Republicans set to assume control of the House next year, the federal government's finances could once again become a political flashpoint. Some Republicans have said they could refuse to raise the nation's borrowing limit without an agree-

ment on broad cuts to the federal budget, including potentially Social Security and Medicare.

Such a debate could bring the U.S. to the brink of defaulting on its debt, a feature of clashes between Republicans and Democrats during the Obama presidency. During the Trump era, Republicans largely let go of their concerns about government spending and reached multiple agreements with Democrats to raise the borrowing limit without imposing deep spending cuts.

—Andrew Duehren

CALIFORNIA

Lyrics Suit Against Taylor Swift Tossed

A federal judge dismissed a copyright lawsuit against Taylor Swift over the lyrics of her hit song "Shake It Off" ending a case that has wound through the courts for five years.

Songwriters Sean Hall and Nathan Butler filed a complaint against Ms. Swift in 2017, alleging she had copied the lyrics from their 2001 song "Playas Gon' Play," by the group 3LW.

"Shake It Off" which appears on Ms. Swift's album "1989," was released in 2014 and spent several weeks on top of the Billboard Hot 100 chart.

Judge Michael W. Fitzgerald, of the U.S. District Court for the Central District of California, on Monday signed an order dismissing the lawsuit. It said: "pursuant to the parties' stipulation, this action is hereby dismissed, in its entirety and with prejudice." It remains unclear how the matter was settled.

A lawyer for Ms. Swift didn't respond to comment. A lawyer for the two songwriters couldn't be reached for comment.

In the 2017 lawsuit by the songwriters, they argued Ms. Swift used lines from their song without permission or credit, in contrast to what is often standard practice in music industry.

Ms. Swift's song was written by her and the producers Max Martin and Shellback, who were also defendants in the case.

Messrs. Hall and Butler alleged that while by 2017 the lyrical combination of players and haters may "seem like common parlance," when the song was first broadcast in 2001, it was a phrase that was "completely original and unique."

—Suryatapa Bhattacharya

FREEMAN'S

SOLD AT FREEMAN'S FOR \$352,800**NEW WORLD AUCTION RECORD**

Bo Bartlett (b. 1955)

The Promised Land (detail)

Pre-Sale Estimate: \$200,000-300,000



After setting multiple new world auction records in our December 4 auction, we are now inviting consignments for our June 2023 sale of American Art and Pennsylvania Impressionists

CONSIGNMENT INQUIRIES

Raphaël Chatroux

267.414.1253

americanart@freemansauction.com

freemansauction.com
2400 Market St Philadelphia PA**The Magic of 18kt Gold**TREAT HER TO THE FINER THINGS
WITH OUR LUXURIOUS CUBAN-LINK
NECKLACE FROM ITALY**\$1,495**
Compare at \$1,995

High shine is on full display with classic 18kt yellow gold Cuban links. Crafted in Italy, our striking graduated necklace has traditional appeal with fashion-forward style.

An exceptional holiday gift!

Available in 18" \$1,495 and 20" \$1,595

ROSS SIMONS

Fine Jewelry | Fabulous Prices

FREE EXPRESS SHIPPING — ORDER TODAY!To receive this special offer, use code: **BEAUTY63**1.800.556.7376 or visit ross-simons.com/beauty

Item #797365



U.S. NEWS

Gap in Data Undercuts Hate-Crime Report

FBI says thousands of police departments didn't submit numbers through new system

By DAN FROSCH AND ZUSHA ELINSON

The Federal Bureau of Investigation on Monday said hate crimes in the U.S. fell in 2021, but acknowledged that the data was far less complete than in years past because thousands of police departments didn't report their numbers to the federal government.

The data shows there were 7,262 hate-crime incidents in 2021 with only 63% of law-enforcement agencies reporting. In 2020, there were 8,263 incidents with 81% of police agencies reporting. Hate crimes are defined as crimes motivated by prejudice based on race, gender and gender identity, religion, disability, sexual orientations, or ethnicity.

The FBI blamed the low

participation on the transition to a new crime data reporting system. While the new system includes more details about each incident, law-enforcement agencies, including some of the largest in the nation, have been slow to switch over and were unable to submit data in time this year, the bureau said.

The bureau said the Justice Department had been working to help more agencies to transition to the new system, using more than \$120 million in grant funding to speed that process, and that the numbers of participating agencies had already increased in 2022.

Criminal-justice researchers and some groups that represent minorities say they are frustrated by the FBI's data because it doesn't give a reliable picture during a period in which Americans are committing high-profile hate crimes.

Those include a wave of anti-Asian attacks during the pandemic, a mass shooting at an LGBT nightclub in Colorado

where the accused gunman has been charged with hate crimes, and a rise in anti-Semitic threats.

"This latest report fails in critical ways. There is an absence of cases from the highest reporting cities and states, including New York City and California," said Brian Levin, a professor of criminal justice and director of the nonpartisan Center for the Study of Hate and Extremism at California State University, San Bernardino.

Data compiled by Mr. Levin showed hate crimes rose by at least 21% in 2021 compared with 2020. According to initial data from the center for the first half of 2022, hate crimes continued to rise in some major cities.

The Anti-Defamation League, an anti-hate group focused on protecting Jewish communities, counted 2,717 anti-Semitic incidents in the U.S. last year, up 34% from 2020 and the highest number in its records dating to 1979.



Protesters in New York this year rallied for action on incidents of hate crime against Asian-Americans.

Sales Need Drove Deal By Amgen

Continued from Page One

ternational markets. "We're acquiring this company with these molecules at an early stage in their life cycle," Amgen Chief Executive Robert Bradway said. "Nice thing about that is our shareholders get to participate in the growth of those."

The revenue should help Amgen bridge a nearly \$16 billion gap between the company's projected 2030 sales and what its current product lineup can deliver, said Evan Seigerman, a BMO Capital Markets analyst.

Yet to do so, it has to load up its balance sheet with more debt, which was more than \$37 billion at the end of the third

quarter.

"They're going to have to add more debt to their balance sheet, which already has a lot of debt," Mr. Seigerman said. "That's probably my biggest concern with interest rates rising and the impact of interest expense" on its profit and loss and statements.

Amgen said on Monday that it expected to retire \$10 billion in debt and bring its total debt load back to current levels by the end of 2025.

Shares in the company fell 0.7% to close at \$276.78 each on Monday.

Horizon, which was once known for buying older drugs and raising their prices and lowering its U.S. tax bill by moving its headquarters to Ireland, has reinvented itself in recent years as a rare-disease drug company, charging high prices to small patient populations.

Its bestselling drug is Tepezza, the first approved treatment for thyroid eye disease, a condition that causes bulging



Amgen was under increased pressure to pull off a big deal.

eyes and affects 70,000 to 100,000 people in the U.S. with moderate to severe forms of the disease, according to Amgen. This year, the drug is expected to reach nearly \$2 billion in sales, and has a list price of about \$433,000 per treatment course, according to Horizon.

Horizon's gout treatment Krystexxa has an average sales price of about \$327,000 per course of treatment, and ana-

lysts project it will have \$706 million in sales this year, according to Medicare data.

Amgen said it expects to negotiate lower prices overseas than what the drugs cost in the U.S.

"These are still highly profitable products with very high unmet need in the market," said Murdo Gordon, Amgen executive vice president of global commercial operations. "We're opti-

mistic that the reimbursement will be suitable, given the opportunity and the debilitating nature of these diseases."

Amgen is betting those drugs can help replace lost revenue from franchises projected to lose patent protection and face generic competition in the coming years. The patent expirations will amount to a 5% annual reduction in sales from 2025 to 2030, according to J.P. Morgan.

Amgen's osteoporosis drugs Prolia and Xgeva are expected to lose patent protection in 2025, and decline from \$5.5 billion in sales this year to \$3.5 billion in 2027, according to FactSet.

Enbrel, an anti-inflammatory drug, is expected to lose patent protection toward the latter part of the decade and have sales decline by 43% to \$2.3 billion in 2027 from \$4 billion this year.

Some of Amgen's newer products, including lung-cancer treatment Lumakras and migraine drug Aimovig, haven't lived up to expectations, said Brian Skorney, an analyst with

Robert W. Baird.

Amgen was under increased pressure to pull off a big deal after saying this year that it expected compound annual sales growth of 5% through 2030, which some analysts have said may be too optimistic.

"There was a lot of speculation that with the revenue guidance that they gave earlier this year, that it would be unrealistic to meet their long-term numbers without some big acquisitions," Mr. Skorney said.

Investors have sent up shares in recent months after Amgen reported promising but early study results for an experimental obesity treatment. If the drug proves to work safely, it could join a potentially \$50 billion worldwide market.

Among the recent pharmaceutical-industry deals are Pfizer's \$5.4 billion deal for sickle-cell-disease drugmaker Global Blood Therapeutics and Merck's recent agreement to buy blood-cancer biotech Imago Bio-Sciences Inc. for \$1.35 billion.

Explore the Breadth of Your WSJ Digital Benefits

The benefits of a Journal membership go far beyond these pages. Start exploring the full scope of your WSJ digital benefits today with a preview of features here. Not sure how to access WSJ.com with your current print membership? Visit [WSJ.com/digitalaccess](https://www.wsj.com/digitalaccess).



THE PRINT EDITION APP

Access the Journal's print coverage anytime with a fully interactive version of the day's paper in a dedicated member-only app.

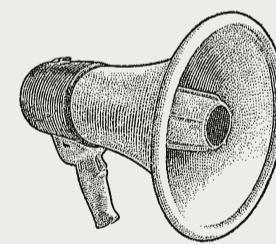
[WSJ.COM/PRINTAPP](https://www.wsj.com/printapp)



LIVE Q&A SESSIONS

Join live virtual events where our journalists and experts discuss timely issues. As a member, you get to ask your own questions and join the conversation.

[WSJ.COM/LIVEQA](https://www.wsj.com/liveqa)



EMAIL SHARING

Share the news you trust for free with the email sharing icon on all Journal articles online.

[CLICK](#) [ON ANY ARTICLE](#)



THE 10-POINT NEWSLETTER

Get a personal, guided tour to the best scoops and stories every day with our member-exclusive 10-Point newsletter.

[WSJ.COM/10P](https://www.wsj.com/10p)



LATEST HEADLINES

No more waiting for the next paper—access coverage as soon as our journalists publish it at our Latest Headlines hub.

[WSJ.COM/LATEST](https://www.wsj.com/latest)



COMMENTING

Help advance a thoughtful discourse between readers and journalists. Join the conversation via article commenting on WSJ.com.

[JOIN THE CONVERSATION](#)

WORLD NEWS

China Halts Use of Tracking App

As Covid-19 rules ease, some residents say they are seeing a surge in infections

By Austin Ramzy

HONG KONG—China is pulling the plug on a nationwide mobile-tracking app that collects data on users' travel movements, dismantling a symbol of one of the world's sternest and most durable Covid-19 containment regimes even as cases continue to surge across the country.

Authorities said Monday that the mobile app, a cornerstone of Beijing's technocentric approach to throttling the pandemic, would disappear by day's end, part of China's swift retreat from the "zero-Covid" approach that it has adhered to for the past three years.

Since its introduction in 2020, the service has scanned users' movements using data from the country's three telecommunications providers to determine whether they recently were in high-risk areas, which was then used to decide if they needed testing or quarantine.

The decision to take the service offline came from China's cabinet, known as the State Council, the tracking app's official WeChat account said Monday. Beijing said last week that it would drop many of its quarantine and testing requirements following rare nationwide protests and mounting evidence that pandemic controls are squeezing the economy.

Still, it wasn't immediately clear that pulling the plug on the location-tracking app would do much in the short term to stimulate travel and economic activity. Similar mobile apps operated by provinces and other regional Chinese governments will remain an impediment to movement as long as they stay in use.

The bigger obstacle to an economic rebound may be a nationwide surge in Covid



A woman, right, showed her health-check QR code as she and others lined up to get Covid-19 tests in Beijing early last month.

cases unlike any that China has experienced, as authorities loosen pandemic rules heading into the depths of winter.

Even with newfound freedoms and a new messaging push emphasizing the relative mildness of the Omicron subvariants of Covid, many would-be travelers, shoppers and restaurant diners have remained home. As a result, Beijing and other large Chinese cities have resembled ghost towns, a far cry from the celebratory Covid reopenings seen elsewhere around the world.

The scale of China's coronavirus surge has been hard to measure because daily national case counts dropped after testing restrictions were lifted. Anecdotal evidence, meanwhile, has pointed to an explosion in new infections.

In the Chinese capital, the Beijing Emergency Medical Center urged only critically ill patients to call for ambulances, saying Saturday that requests

jumped to 30,000 a day from an average of about 5,000, straining the capacity of paramedics.

Sales of self-testing kits, fever and cold medicines and traditional Chinese remedies also have climbed, prompting regulators to warn against hoarding. Long lines have circled around fever clinics, and many citizens have reported seeing a sudden upsurge in self-reported Covid cases.

Until last week, Michael Cherney, an American artist based in Beijing, didn't know anyone who had contracted the virus in China. Then, a classmate of his daughter tested positive, followed by several friends of his family. An informal survey of his apartment complex suggested roughly half of all households had someone with Covid, he said Monday.

That now includes Mr. Cherney.

Some of China's most prominent business leaders have gone public with their

own experiences being infected with Covid, breaking with a longstanding taboo as Chinese authorities press a message that Omicron is weaker and not to be feared.

Richard Liu, founder of e-commerce giant JD.com Inc., said in a video posted on social media that those infected by the virus shouldn't worry. He called on patients with mild cases to seek online medical help. "From my own experience, this really is milder than a cold," he said.

Another prominent tycoon, Wang Shi, founder of property developer China Vanke Co., said in a social-media video that he was infected while traveling overseas. He said his symptoms were relatively mild.

A commentary published Monday by the People's Daily, the flagship newspaper of China's ruling Communist Party, described the scaling back of China's strict Covid policies as "a major decision made based

on the study and judgment of the epidemic trend" that it said would "reduce the impact of the epidemic on normal production and the life of the people."

The commentary emphasized the need for people to be vaccinated "as soon as possible," particularly the elderly, whose vaccination rate has lagged behind the broader populace.

Last week, health authorities approved four new Covid vaccines for emergency use on the Chinese mainland, though the government has yet to approve shots using the mRNA technology that has been commonly used elsewhere, and which health experts generally regard as being more effective.

Chinese health authorities said last month that they were planning a drive for the elderly, aiming to inoculate at least 90% of people aged 80 and up with at least one shot by the end of January. That rate stood at 77% in late November, with just 40% having gotten a booster.

India Says Its Forces Clashed With Chinese

By Rajesh Roy

NEW DELHI—Indian and Chinese security forces clashed on the countries' disputed border alongside a northeastern Indian state last week, injuring several soldiers on both sides, the Indian army said Monday.

The incident is the first engagement between their troops since a deadly June 2020 confrontation on the disputed Himalayan border of India's Ladakh region in which 20 Indian soldiers and four Chinese personnel died. That was the worst military confrontation between the two nuclear-armed neighbors in more than five decades.

After the 2020 incident, tensions remained high for months between India and China, which share a 2,000-mile border, called the Line of Actual Control. They blamed each other for starting that fight, saying the other side broke rules and boundaries for troop movements.

After Prime Minister Narendra Modi greeted Chinese President Xi Jinping at the recent G-20 meeting, analysts thought there could be a thaw in relations. Earlier this year, in August, troops on both sides also disengaged from deployments at one Himalayan post, seen as an achievement of bilateral border talks. The latest confrontation is expected to further escalate tensions between New Delhi and Beijing and thwart hopes of a near-term resumption in normal ties and bilateral trade.

"The skirmish is indicative of a complete breakdown of trust between the two sides. Peace along the Line of Actual Control is no more possible till the boundary issue is addressed," said Delhi-based defense analyst N.C. Bipindra.

Chinese diplomatic officials didn't immediately comment.

The Indian army, in a brief description of the incident, said that soldiers of the People's Liberation Army crossed the loosely defined de facto border at the Tawang sector in the Indian state Arunachal Pradesh on Dec. 9, which was contested by Indian soldiers in a "firm and resolute manner."

The face-off led to "minor injuries to a few personnel from both the sides," said the Indian army, adding that both sides disengaged from the area immediately. Local Indian and Chinese military officials held a discussion on the matter in line with existing disengagement mechanisms to restore stability to the area, according to the Indian army.

U.S. Postal Service Curbs Sway in Pacific

By Charles Hutzler and Mike Cherney

The U.S. is trying to shore up its influence among Pacific island nations against China's inroads in the region.

First, the U.S. Postal Service needs to get on board.

Talks to renew broad, decades-old accords are intensifying with three nations whose islands lie just north of the equator between Hawaii and the Philippines—the Marshall Islands, Palau and the Federated States of Micronesia. All are close allies of the U.S., and the talks over billions in economic support are seen as a test of Washington's commitment to a region it paid less attention to until Beijing started showing interest.

U.S. negotiators have encountered hard-bargaining from the island nations and internal wrangling among government agencies, said current and former officials. One hurdle has come from the Postal Service, said former officials and other people briefed on the discussions. The agency provides mail service for the three nations and is seen by islanders as a sign of U.S. support. In doing so, the Postal



President Biden met with leaders from the Pacific Islands region at the White House in September.

Service has disclosed more than \$110 million in losses over the past 20 years, adding to its red-ink problems in the U.S.

The Postal Service has demanded compensation for past losses and for future arrangements with the Pacific nations, and for months, the people said, Postal Service representatives refused to engage in substantive interagency discussions about renewing the deal.

"They really did great damage to the process and ultimately to the strategic relationships that we have" with the three nations, said one former official.

At stake for the U.S., should the negotiations falter, is its

image as a reliable ally and a bulwark against China's ambitions to displace American power, said the officials and security specialists.

The agreements under negotiation give the island states access to many U.S. federal services and programs, including disaster relief, deposit insurance, education grants and healthcare subsidies. In exchange, the U.S., which guarantees their defense, operates a missile-testing site in the Marshalls, among other facilities, and gets the authority to deny other militaries use of the area.

"This is an absolutely critical test of reputation for the United

States in the rest of the Pacific," said Robert Underwood, the former representative of the U.S.'s Pacific territory of Guam in Congress. "If the U.S. government treats them cavalierly or as a vassal state, well, then that will be taken seriously."

A Postal Service spokeswoman declined to comment other than to say that renewal of the pacts "is in the hands of the State Department."

The lead U.S. envoy for the talks, State Department veteran Joseph Yun said the Postal Service is cooperating and that provisions would be made "to reflect some assurances to the post office that they will be compensated."

Pakistan Condemns Deadly Taliban Cross-Border Fire

By Waqar Gillani and Esmatullah Kohsar

ISLAMABAD, Pakistan—Pakistan Prime Minister Shehbaz Sharif on Monday condemned what he called an unprovoked outbreak of firing and shelling by Afghan border forces a day earlier that killed seven people in Pakistan and injured more than a dozen.

Mr. Sharif called on the Taliban Afghan government to "ensure that such incidents are not repeated." Later in the day, he said he would seek a high-level review of the Pakistan-Afghanistan border situation.

The Pakistan army on Sunday said six civilians were killed and 17 people were injured when Afghan border forces opened heavy fire into Chaman, in Pakistan's Balochistan province, adjacent to Afghanistan's Kandahar prov-

ince. The death toll was later revised to seven. The army retaliated, it said, adding that it sought to avoid targeting civilians on the Afghan side. A Taliban official in Kandahar said a soldier was killed in Afghanistan and 10 people injured.

The Taliban foreign ministry spokesman said on Monday that the "repetitions of such incidents on the border was regrettable," and that the Islamic Emirate of Afghanistan, as the government officially calls itself, has "taken serious preventative measures" to avoid clashes.

It also called on the Pakistan government "to pay serious attention to preventing provocations that cause violence and adversely affect relations between the countries," Abdul Qahar Balkhi, the spokesman, said on Twitter.

The Taliban government

hasn't elaborated on what prompted the clash.

The two countries share a 1,600-mile porous border, drawn under British rule, where Pakistan has been building a fence in recent years over objections from Afghanistan. Pakistan, long considered the Taliban's closest ally, has seen increasing attacks on its periph-

eries by the Tehreek-e-Taliban Pakistan militant group, or TTP, since the Taliban took control in Kabul in August 2021. The Taliban have said they wouldn't allow their soil to be used by militants intent on waging attacks against other nations. Islamabad says Pakistani Taliban leaders, and many fighters, are based in eastern Afghanistan.

BIG DIAMONDS DIRECT
SAVE BIG \$\$\$
 3-10ct All GIA Certified
 Buy With Confidence
 Wholesale Dealer Pricing
 877-804-7400
 Info@BigDiamondsDirect.com

Can your team do better... somewhere else

Those who execute on opportunities are called lucky (by those who don't)

SI Capital has opportunities for you to join us, or become a partner in a newly formed independent firm. You provide a talented team, ambition, and niche opportunities in financial services (investments, trading, raising capital, etc). We provide capital, regulatory (FINOPS, etc), class A office space (above Grand Central Station), IT, legal and more.

SI Capital is an investment/trading firm with 5+ billion dollars AUM owned by the founder of 5-hour ENERGY. We don't make decisions by committee. **We don't participate in ESG or other irrational fashions.** We don't "adjust" compensation plans on the fly. And we move fast. **No retirement age—we like people who know what they are doing.**

If you're really good at what you do, and really enjoy the work (but not the decision making process) this may be a good fit. If you enjoy the safety of bureaucracy... this may not fit.

If you're interested contact:

Chris Fowler
 C: 248-826-4306
 cfowler@SICapitalGroup.com

SI Capital
 SICapitalGroup.com

WORLD NEWS

Kremlin Welcomes Freed Arms Dealer

By ALAN CULLISON

Convicted arms dealer Viktor Bout got a warm welcome into the Kremlin's tightly controlled political system on Monday and joined an ultranationalist party known for its call to reassemble the former Soviet Union.

The move signals that Mr. Bout, who was returned to Russia last week in an exchange for U.S. basketball star Brittney Griner, likely will be a political pinup for the Kremlin. Moscow has touted its ability to return jailed citizens despite its isolation over the invasion of Ukraine.

His new party, Liberal Democratic Party of Russia, calls itself independent but has supported Mr. Putin's political agenda in Parliament, where debate is closely choreographed.

In a ceremony near the Kremlin in a czarist-era hall notorious for Stalin-era show trials, Mr. Bout was handed a party card by the LDPR's leader Leonid Slutsky, who praised him as "a courageous man who became a symbol of the fight for our principles." Mr. Slutsky rattled off the names of other Russian citizens who were once imprisoned by the West but returned to home soil after prisoner exchanges and diplomatic haggles.

"We will bring everyone home who has gotten into trouble outside of our motherland," Mr. Slutsky said. "We will take care of them."

Mr. Bout was arrested in a sting by U.S. drug enforcement agents in Thailand in 2008 and convicted by a Manhattan jury of conspiracy to kill U.S. citizens and provide material support to terrorists. He was serving a 25-year prison sentence when he was freed last week by the trade for Ms. Griner.

The Kremlin and state-run media have touted his release as a triumph of Russia's tough negotiating skills and derided

the U.S. for trading Mr. Bout for Ms. Griner, whom they refer to as a lesbian and an admitted drug user.

Kremlin press spokesman Dmitry Peskov said Monday that President Vladimir Putin hadn't met with Mr. Bout since his return, but didn't rule out that the two had spoken by phone.

The LDPR was founded by Vladimir Zhirinovsky, a politician famed for his flamboyance, on-air political stunts and his call for an expansion of Russia's borders to the Indian Ocean. Mr. Zhirinovsky died in April.

Once known as a party for the extreme right, the party has gradually become more centrist in Russia as the government itself has moved right and adopted some of its views, said Sergey Radchenko, a professor at Johns Hopkins School of Advanced International Studies.

Mr. Radchenko noted that the party likely sees Mr. Bout as an asset because his stature with the Russian public has grown during the 14 years he was imprisoned by the U.S.

The party has a history of recruiting controversial personalities to draw attention. One of its deputies, former Russian security-service agent Andrei Lugovoi, is wanted in the U.K. for allegedly slipping a fatal dose of radioactive polonium into the tea of a Kremlin critic in London in 2006.

Mr. Bout was the subject of a fawning interview over the weekend with the Kremlin-run network RT, where he declared his support for Mr. Putin and the invasion of Ukraine.

Mr. Bout's interviewer, Maria Butina, is another Russian who Moscow says was wrongfully held by the U.S. for political purposes. Ms. Butina was convicted in the U.S. in 2018 of seeking to infiltrate conservative political groups during the 2016 presidential campaign and served more than a year in a U.S. prison.



People held flashlights as they waited at a bus stop during blackout in the Ukrainian Black Sea city of Odessa on Monday.

Kyiv Presses to Restore Power

G-7 and European Union leaders reaffirm support for Ukraine in the coming year

By ISABEL COLES

Ukraine rushed to restore power supplies following the latest round of Russian attacks, while President Volodymyr Zelensky spoke with President Biden and other Group of Seven leaders following a flurry of weekend diplomacy aimed at strengthening sanctions on Russia.

As many as 1.5 million people were left without power in Ukraine's southern Odessa region after Russian strikes late Saturday. Officials have warned it will take longer to restore power after the most recent attacks. Mr. Zelensky, speaking via videoconference to leaders of the G-7 nations, asked for more support in the next year, including by providing gas, modern

tanks and more rocket artillery and long-range missiles.

G-7 and European Union leaders meeting on Monday reaffirmed their support for Ukraine. "We are determined that Russia will ultimately need to pay for the restoration of critical infrastructure damaged or destroyed through its brutal war," leaders of the G-7 nations said after the meeting.

"We will maintain and intensify economic pressure on Russia and those who evade and undermine our restrictive measures," the statement said, without providing details.

EU foreign ministers on Monday agreed to provide an extra €2 billion—worth about \$2.1 billion—in funding for the European Peace Facility, a program used to reimburse member states for sending weapons to Ukraine. Most of the program's funds have been spent or earmarked for weapons deliveries to Ukraine.

In his Sunday address, Mr. Zelensky said power supply was

partially restored in Odessa and other cities in the region. The situation also is difficult in Kyiv and western regions far from the front line between Russian and Ukrainian forces in the east of the country, he said. "We are doing everything to achieve the maximum possible after the Russian hits," he said.

The targeting of energy infrastructure has raised the costs of war for Ukrainians—and for Kyiv's western allies—even as Russia struggles to make gains on the battlefield.

Mr. Zelensky spoke with Mr. Biden on Sunday after weekend calls with the leaders of France and Turkey and ahead of the G-7 and EU meetings on Monday. There are no official peace talks, but the U.S. and Russia have held a series of meetings in Turkey. On Monday, Russia's RIA news agency quoted Russian Deputy Foreign Minister Sergei Vershinin as saying that Moscow doesn't see a "constructive" approach from the U.S.

The White House said Mr.

Biden highlighted U.S. support for strengthening Ukraine's air defense against Russian attacks, including \$275 million in ammunition and equipment that comprises systems to counter drones. Last month, the U.S. also announced \$53 million to support energy infrastructure.

Monday's EU allocation overcame the reluctance of Hungary, which pushed for new funding to be disbursed more evenly to several nations and not be channeled mainly to Ukraine, diplomats said.

The port city of Odessa was an early target of Russia's invasion, which sought to control Ukraine's southern coast, denying Kyiv access to the sea. But Ukrainian forces blocked their advance, and Russia's recent withdrawal from the southern Kherson region has put Odessa further out of reach. Mr. Zelensky has said that Odessa has had some of the most frequent power outages, but the work on restoring electricity is constant.

WORLD WATCH

BELGIUM

Police Raid EU Parliament Offices

Belgian police conducted more raids at European Parliament offices Monday as the legislature's president pledged to launch an internal probe into corruption allegations and the bloc's top official called for the creation of an EU-wide independent ethics body.

Prosecutors investigating alleged influence peddling by a Gulf country at the European Parliament charged four people over the weekend with corruption, participation in a criminal group and money laundering. Parliament Vice President Eva Kaili of Greece was relieved of her duties.

The prosecutors declined to identify the country suspected of offering cash or gifts to parliament officials in exchange for political favors. Several members of the assembly and some Belgian media linked the probe to Qatar. Qatar's Ministry of Foreign Affairs has denied wrongdoing.

—Associated Press

YEMEN

U.N.: At Least 3,774 Children Die in War

At least 3,774 children have been killed in Yemen's civil war between March 2015 and September 2022, the United Nations reported recently.

According to the latest statistics published by the United Nations Children's Fund, an additional 7,245 children have been maimed in the conflict, which has pitted Iran-backed Houthi rebels against a Saudi Arabian-led coalition supporting Yemen's internationally recognized government for the past eight years.

The conflict began in 2014 after Houthi rebels came down from the mountains and took control of the capital, San'a, and much of the country's north, forcing Yemen's government into exile. The Saudi-led coalition then entered the war in March 2015, backed by the U.S. and the United Arab Emirates.

—Associated Press

AFGHANISTAN

Three Assailants Killed in Hotel Attack

A hotel catering to foreign visitors in Afghanistan's capital of Kabul was attacked Monday, and three of the assailants were killed, a Taliban official said.

Two foreign residents were injured when they jumped out of windows to escape, said Zabiullah Mujahid, the Taliban government's spokesman. Residents reported explosions and gunfire.

Khalid Zadrin, the Taliban-appointed spokesman for the Kabul police chief, said the attack lasted several hours. He said a "clean-up" operation was ongoing.

No one immediately claimed responsibility for the attack but the regional affiliate of the Islamic State group—known as the Islamic State in Khorasan Province and a rival of Afghanistan's ruling Taliban—has increased its attacks since the Taliban takeover of the country last year.

—Associated Press



PEACEFUL MOMENT: A couple rests next to images of the Virgin of Guadalupe in a Mexico City encampment. The pilgrims are marking the apparition of the Virgin of Guadalupe to Juan Diego in 1531.

Ghosn Case Plea Called A 'Sham'

Continued from Page One

alcohol in their faces. It said an outside commission would review prison conditions.

An official in the ministry's Correction Bureau, Takao Hosokawa, said the government was chastened by the scandal and training on human rights was likely inadequate. However, he said Japan would stick to its basic stance that prisons are a place for tough treatment and strict discipline, which he said might be harsher than in foreign prisons.

In March 2021, Peter and his father, Michael Taylor, were extradited to Japan to face trial. Both prosecutors and the Taylors said the father arranged Mr. Ghosn's concealment and escape, while Peter played a lesser role that included helping deal with Mr. Ghosn's luggage. Michael Taylor, who also completed his

sentence in November, declined to be interviewed.

Mr. Ghosn was charged in Japan with financial misconduct, for which he faced a maximum prison sentence of 15 years. France has also issued a warrant for his arrest. A representative for Mr. Ghosn didn't respond to requests for comment. In 2020, Mr. Ghosn supported the Taylors in their unsuccessful bid to avoid extradition to Japan, saying he didn't want them to experience the same treatment he received in Japanese custody.

At their trial, the Taylors apologized for helping Mr. Ghosn escape. They said they believed that the Japanese justice system treated people fairly.

"I take full responsibility and deeply apologize," Peter Taylor said in June 2021, bowing before the judges.

Mr. Taylor now says he didn't mean it.

"I can tell you now the statements in court were just a total sham," Mr. Taylor said. He said his lawyers advised him that pleading guilty and apologizing profusely would be the only way to get a lighter sentence.

"I was told it's basically just a dance," he said.

In August 2021, Mr. Taylor was sent to serve his sentence at a prison for more-serious offenders in Yokohama.

He said he was placed immediately in solitary confinement and that prison staff wouldn't let him have books or a bedsheet.

"I was just stuck in a cinder-block room on the floor with absolutely nothing," he said. "The conditions that I was subjected to absolutely meet the burden of torture, there's no doubt about it."



Peter Taylor spent more than a year confined in a Japanese prison

When he asked why his things were confiscated, he said he was told by an intake officer that it was because his "crime attracted the attention of the country."

Mr. Taylor said he threatened to go on a hunger strike. After a week, his books were given back and he was later allowed to spend some hours working at a printing press.

He still spent weekends, holidays and most of his days in solitary confinement. Inside his cell he would read, sitting bolt upright on the floor. Slouching and pacing weren't

allowed. One of the books he read was "Prisoner," the memoir of journalist Jason Rezaian, who was held in a prison in Iran for 18 months. Mr. Taylor said he felt jealous when he read that Mr. Rezaian was frequently allowed outside.

In the winter months, Mr. Taylor said he held a book with one hand while sitting on the other and then rotated his hands to prevent frostbite. This past summer, a steamy one as usual in the Tokyo area, he said prisoners were locked in their cells because of a Covid outbreak without fans or air conditioning. He said he went more than 30 days without a shower.

The U.S. Embassy in Tokyo helped with a few issues but generally couldn't do much, Mr. Taylor said.

The embassy declined to comment on Mr. Taylor's case, but a representative said U.S. officials "have long expressed concern to Japanese authorities about inadequate heating in prisons and detention centers."

Koichi Hamai, a former corrections officer who is now a professor at Ryukoku University, said guards tend to rig-

idly enforce rules, fearing public criticism if there is any disorder in prisons. He said staff tended to play down medical complaints because some prisoners invent ailments so they can get a break from work or, in winter, warm up in the infirmary.

"The biggest reason" for harsh treatment "is probably because that's what the public wants," Mr. Hamai said.

After 20 months in Japan, Mr. Taylor and his father were transferred back to the U.S. in October and released shortly thereafter. The younger Mr. Taylor spent several weeks at home in Massachusetts and later headed to Lebanon, his mother's home country, to take care of paperwork related to his residency there.

He said he was focused on regaining his health and spending time with family. He said he hasn't heard from Mr. Ghosn since getting out of prison but that it doesn't bother him.

"Once you conquer Japanese solitary confinement, there's not a lot that's ever going to faze you in life," Mr. Taylor said.

—Chieko Tsuneoka contributed to this article.

WORLD NEWS

Iran Publicly Executes a Second Protester

By DAVID S. CLOUD

Iran hanged a man in public on Monday who was convicted of killing two security force members, the judiciary news agency reported, the second execution in a week as the authorities' strategy for putting down antigovernment demonstrations emerges.

The execution of 23-year-old Majidreza Rahnavard, less than a month after the alleged stabbings and only four days after he was convicted, highlights a tactical shift for Teh-

ran in recent days. The government has moved toward swift punishment against a few people accused of violent crimes against security forces, while holding out the possibility of concessions to other Iranians.

Iran's government has struggled to suppress the protests since they began in September, using anti-riot tactics initially and mass arrests as demonstrators clashed after the killing of 22-year-old Mahsa Amini, who was arrested for allegedly violating the country's strict Islamic dress code. The

demonstrations began with calls for reform and have transformed into rallies demanding an end to the nation's 43-year-old Islamic system of rule.

As the unrest has continued, Iranian officials have turned to a carrot-and-stick approach. Authorities have declared that use of so-called morality police to enforce the mandatory hijab would be halted, and spoken favorably about the right to protest. At the same time, the government has moved quickly with public executions, underscoring the risk to protesters

of continued clashes.

Mr. Rahnavard was convicted of fatally stabbing two members of the Basij paramilitary force, which has been deployed to suppress the protests, according to Mizan, the judicial news agency.

The execution was carried out before dawn Monday in the city of Mashhad, according to Mizan, which released pictures showing a hooded man with bound hands and feet hanging from a mobile crane observed by a small crowd of spectators and security officers. It couldn't

be confirmed if the pictures showed Mr. Rahnavard.

Hanging a defendant on a crane only days after his conviction is a tactic aimed at instilling fear that Iran commonly used in putting down previous protests. But the approach largely has been abandoned in recent years in favor of nonpublic executions, said Mahmood Amiry-Moghaddam, director of Iran Human Rights, a nongovernmental organization based in Norway. Its return suggests Iran is testing the response by foreign gov-

ernments and by the protesters, he said. "It's a brutal way of execution and it sends a message, but they are aware that it might cause a backlash and they are assessing the reaction," he added.

European Union foreign ministers Monday agreed to new sanctions on 20 Iranian officials over human-rights abuses, including senior officials in the Islamic Revolutionary Guard Corps. Also sanctioned is the Islamic Republic of Iran Broadcasting, the state-owned broadcasting company.



Supporters of ex-President Pedro Castillo take over the Pan-American Highway in Arequipa to protest the new leader's actions.

Peru's President Proposes Early Vote

By RYAN DUBE

LIMA, Peru—Peruvian President Dina Boluarte proposed holding early elections in the wake of deadly protests in support of her predecessor, Pedro Castillo, who was ousted by lawmakers after he tried to dissolve Congress.

In a televised address Monday, Ms. Boluarte said she would send a proposal to Congress to hold presidential and legislative elections in April 2024, which would cut the term she has to complete by two years.

Ms. Boluarte said she also would propose constitutional reforms to Peru's political system, which has had six presidents since 2018.

"Today, we're facing an escalating level of political confrontation that isn't healthy for the country, for the economy, or the fight against poverty," Ms. Boluarte said. "I've decided to propose an initia-

tive to reach a deal with Congress for early elections."

Ms. Boluarte's announcement came after she was sworn into office last Wednesday following the impeachment of Mr. Castillo after he unsuccessfully tried to dissolve Congress and rule by decree in a move that constitu-

Newly appointed Dina Boluarte suggests moving up elections by 2 years.

tional experts called an attempted coup.

Mr. Castillo remained in jail Monday on rebellion charges, which has angered his supporters, who have demanded his release. In a handwritten letter posted Monday to Twitter, he called Ms. Boluarte a "usurper."

"The people shouldn't fall for her dirty game of new elections," he said. Mr. Castillo also called for a new constitution and for his "freedom now."

Ms. Boluarte, who was Mr. Castillo's vice president, initially said she would rule until 2026, when the term ends. But she changed her mind after Mr. Castillo's supporters over the weekend took to the streets in the highlands, where he had more backing than in Lima, and in other largely rural areas, blocking highways and clashing with police.

At least four people were killed and dozens injured as protests continued on Monday, the Health Ministry said. Ms. Boluarte's government implemented a state of emergency in the southern Apurimac state, where demonstrators had tried to take over the airport in the city of Andahuaylas. Protesters in the city had also detained and held two police officers for several hours.

In the state of Arequipa, protesters set fire to a milk factory while hundreds of demonstrators took over part of the runway at the airport in the city of Arequipa, Peru's second-biggest city. Defense Minister Alberto Otárola told Congress that the military was deployed and retook control of the airport.

To hold early elections, Ms. Boluarte would need either two consecutive votes in Congress approving her proposal with a two-thirds majority or one vote in Congress with a two-thirds majority and approval in a referendum, according to political analysts.

Jo-Marie Burt, a Peru scholar at George Mason University, said new elections alone are unlikely to resolve the political turmoil that Peru has been mired in during the past few years. Polls show many people in Peru have lost trust in a political class tainted by corruption scandals.

Palestinian Teen Dies in Crossfire

By DOV LIEBER AND AARON BOXERMAN

JERUSALEM—Israeli soldiers fatally shot a teenage Palestinian girl Monday during a gunbattle between Israeli soldiers and Palestinian militants, adding another young casualty to the bloodiest year in decades at the occupied West Bank.

The Israeli military said the teenager's death was unintentional and occurred during an operation to arrest militants in the Palestinian city of Jenin in the northern West Bank. The Israeli military said its soldiers returned fire after militants shot at them and hurled explosive devices.

Jana Zakarneh was shot when she stepped onto the roof of her house near where the Israeli army had entered the city, said Jenin's governor, Gen. Akram Rajoub. The girl— who was 15 or 16 years old, Palestinian authorities said— died later from a gunshot wound to the head, said Palestinian health officials.

Senior Palestinian Authority official Hussein al-Sheikh, on Twitter, called for an immediate investigation into what he called an "execution of the young woman."

The Israeli military said its own inquiry found that a Palestinian girl was killed by unintentional fire from Israeli soldiers, who were aiming at armed militants that shot at them from a nearby roof. The military didn't name the victim.

"The claim that security

forces purposefully fired at uninvolved civilians is implausible and without foundation," the Israeli military said.

A local Palestinian militia known as the Jenin Brigade—which Israeli security analysts say has ties to the more established militant group Palestinian Islamic Jihad—admitted to shooting at the Israeli soldiers. Israel said its forces arrested three militants.

At least 148 Palestinians have been killed in the West Bank and Jerusalem by Israeli security forces and civilians this year, according to Israeli human-rights organization B'Tselem. The organization said 33 of those killed were minors. The figures don't include Ms. Zakarneh's death.

This has been the bloodiest year in the West Bank since 2006, the year after the end of an uprising known as the Second Intifada, during which more than 5,000 Palestinians and 1,000 Israelis were killed.

The Israeli military has been engaged in a monthslong operation known as Wavebreaker in response to rising Palestinian militancy concentrated in the northern West Bank.

Israel launched the offensive in the spring, after 19 people died in Palestinian attacks in Israeli cities.

At least 31 Israelis have been killed and 398 have been injured by acts committed by Palestinian militants this year, according to numbers released by the Israeli prime minister's office at the end of November.



Relatives mourn Jana Zakarneh at her funeral in Jenin on Monday.

Migrants Struggle to Get Jobs Amid German Worker Shortage

By TOM FAIRLESS

KASSEL, Germany—In 2016, as Middle Eastern refugees fled to Germany in their hundreds of thousands, Ingo Neupert decided to help.

A professor of social work, he started a training program in western Germany for 25 young refugees to become nurses and medical assistants.

Only three of them graduated from the 4½ year program, Mr. Neupert said. In a second, shorter program, about one-third of the candidates reached the end. The project is now on hold, according to Essen University Hospital, western Germany, where it took place.

Germany faces a paradox: After years of record immigration that has seen the equivalent of the population of a large city arrive in the country every year, one in six people in Germany was now born overseas, compared with one in seven in the U.S.

But unlike the U.S., Germany is failing to find work for the newcomers despite a worsening labor shortage that is stifling economic growth. Europe's largest economy will in addition need to fill about seven million jobs by 2035 as older workers retire, economists estimate.

Experts have long pointed



A job fair for refugees from Ukraine in Dresden, Germany, in May.

to immigration as the solution, saying Germany needs some 400,000 skilled immigrants each year.

So far, the current mix of immigrants isn't filling the gap. Official data show that only about one-third of the roughly 800,000 working-age Syrians and Afghans in Germany have a taxpaying job, compared with two-thirds of Germans, even though most arrived over five years ago. Unemployment among foreigners is about 12% and under 5% for Germans. In the U.S., foreigners are more likely to have jobs than locals.

The main problem: Many refugees are poorly suited for jobs in Germany's highly skilled labor market and Germany hasn't been very good at

training them.

To change that, Berlin is planning to introduce a points-based immigration system modeled on Australia's or Canada's next year, hoping to woo better-qualified foreigners, but migration experts are skeptical.

Even if it succeeds, Germany will likely continue to receive large numbers of asylum seekers it can't employ, who will fill the ranks of welfare recipients or boost crime statistics, where they are already overrepresented.

"Refugees and labor migrants will be competing for the same infrastructure," said Thomas Liebig, a migration expert at the Organization for Economic Cooperation and Development, a Paris-based eco-

nomic think tank.

Labor migrants currently only make up one in 10 new arrivals to Germany, compared with one in three to Canada. An earlier European program to draw skilled foreigners, known as the Blue Card, attracted about 70,000 workers to Germany in total over the past decade.

Now refugee numbers are soaring again after a lull during the pandemic, driven by the war in Ukraine and growing emigration from the Middle East, Africa and Afghanistan.

In the first half of the year, more than one million people moved to Germany—considerably more than in 2015, when then-Chancellor Angela Merkel welcomed Syrian refugees.

At the job center in Kassel, a town in central Germany, Wolf-Detlef Zeising says he has had a hectic year preparing hundreds of Ukrainian refugees to enter Germany's labor market. He has deployed 20 Ukrainian interpreters over the summer. His staff say they are advising 60% more people a day than in normal times.

Even so, Mr. Zeising said he doesn't expect many of the newcomers to get jobs in Germany before 2024, because of delays in finding and then attending language and integration courses.

Meanwhile, half of German businesses say they are cutting back their operations or relocating abroad because they can't find enough workers. Germany's unemployment rate, at 5.5%, is close to full employment.

"The reality is, it is refugees or nothing," said Anke Dobbeck, who runs a heating and plumbing company in southwest Berlin. She recently hired a young Afghan after he completed a 3½ year apprenticeship with her company.

The integration process required "a lot of strength and support," she said. The man needed help with documents and accommodation. Another refugee signed an apprenticeship contract but didn't show up after the first day, Ms. Dob-

beck said.

German railway operator Deutsche Bahn has hired some 26,000 new employees this year, partly to fill gaps in its workforce as older staff retire. The company has 900 recruiters and it is actively recruiting in more than 10 countries, said Kerstin Wagner, Deutsche Bahn's executive vice president for talent acquisition.

Around 23% of new recruits this year were born outside Germany.

Even so, recruitment of refugees is modest. The company this year spoke to 3,200 potential recruits from Ukraine and hired 65, Ms. Wagner said. About 3.5% of the company's new recruits come from traditional refugee-sending countries including Syria, Ukraine, Afghanistan, Iraq, South Sudan, Venezuela and Myanmar.

Qualifications are the main problem. Only around one-third of Germany's Syrian migrants have graduated high school or technical school, compared with 70% of immigrants from Poland, according to the German statistics agency.

At the same time, job seekers face high hurdles in a rigid labor market that protects incumbents, requires lengthy traineeships and rarely recognizes foreign degrees, often forcing even specialists to retrain from scratch.

FROM PAGE ONE

Mariah Carey Song Is Back

Continued from Page One

what I hear? Yes, all day long!

When Mr. Graham, who is 19, hears Ms. Carey crooning, he turns on an industrial fan and stands under it. "It just overtakes whatever is playing over the radio," he says.

Kiyah Coleman, who works at an appliance store in London, seeks refuge in a stock room to avoid Ms. Carey's hit. "As soon as I hear the intro, I say 'Oh god,'" she adds.

There is something about Christmas classics that make them the gifts that keep on grating. A Reddit thread calls

for "a moment of silence" for all ye faithful retail workers who have had it with merry gentlemen and turtle doves. In a similar thread, in recent days, employees discuss "truly painful" versions of "Santa Baby."

"One year the store I worked at had a playlist with 5 different versions of 'Jingle Bells,'" another poster recalls. "I still wish harm upon whom-ever put that list together."

Rolling Stone ranked the worst 20 Christmas songs last year, and compared a rendition of "The Little Drummer Boy" by Jessica and Ashlee Simpson to "musical water-boarding." In British Columbia, Canada, 25-year-old Lenelle Kutzner can't stand the 1984 pop classic "Last Christmas" by Wham! after working two holiday seasons at a grocery store. It played all the time, everywhere, even in

the restroom.

"You couldn't get a moment of peace," she says. "I'm kind of scarred from that."

At least three petitions on Change.org seek to sleigh Ms. Carey's 1994 holiday hit, "All I Want for Christmas Is You." One begs the Federal Communications Commission to ban it from radio and calls it "the bane of shoppers, retail workers and pedestrians." A representative for the singer declined to comment.

The pop diva encourages people to start playing her song the day after Halloween. In a recent video posted by her Twitter account, she transforms from a Peloton-riding witch to a reindeer-riding Santa Claus. "IT'S TIME!!!" she tweeted Nov. 1.

This year, she performed ahead of Santa at the Macy's Thanksgiving Day Parade in a red gown and sparkling tiara.



Retail workers hear 'All I Want for Christmas Is You' nonstop.

Days earlier, she lost a trademark battle to own the phrase "Queen of Christmas."

Laura Garrison, the general manager of Stoneleigh P, a bar in Dallas, forbids Ms. Carey's song before December.

"She's the ruler of Christmas and I'm the ruler of this bar," Ms. Garrison says. "These four walls is mine, baby."

If a customer dares play it on the jukebox before Dec. 1, bartenders skip the song with a remote. "We hear those little twinkles," Ms. Garrison says about the tune's intro, "and it's done."

Ms. Garrison put up a sign with house rules about Ms. Carey's song. "AFTER DEC 1 THE SONG IS ONLY ALLOWED ONE TIME A NIGHT," it says in all capital letters.

Retail employee Matt Martinez doesn't mind Ms. Carey. It's the squeaky-voiced singers who cover songs that leave him frosty.

"It can get obnoxious," says the 20-year-old, who works at a Dallas store that sells sheets, mattresses and bedroom furniture.

Covers of "Mele Kalikimaka," a Hawaiian-themed Christmas song made famous by Bing Crosby, are "madness inducing," Mr. Martinez says. He endured three versions during a seven-hour shift recently.

Greg Larsen, who is 32 and lives in Tampa, worked his way through several mall stores before moving into a job in the tech industry. He still can't stand Christmas songs, in particular a version of "Sleigh Ride" by the Ronettes in which horses neigh and clip-clop, and bells are "jingling, ring tingle tingle too!"

He does remember one good day. The speakers broke and the store fell quiet. At last, a silent night.

"Everyone else thought it was the weirdest thing ever," he recalls. "And I was just over there having a great time."

Rate Hikes Enter a New Stage

Continued from Page One

last month in Washington. "We wouldn't...try to crash the economy and then clean up afterwards. I wouldn't take that approach at all."

In this first phase of the Fed's inflation battle—rapidly lifting rates from zero enough to stop stimulating economic activity—Mr. Powell raised rates by 0.75 percentage point at each of the Fed's past four meetings after underestimating price pressures last year.

Those last three moves won unanimous support from the rate-setting committee.

"The easy lifting is done," said Vincent Reinhart, chief economist at Dreyfus and Melon and a former senior Fed economist.

Now in phase two, Fed officials expect to increase rates in smaller steps. Mr. Powell signaled last month the Fed would likely raise its benchmark federal-funds rate by 0.5 point at its two-day meeting that concludes Wednesday. That would bring the rate to a range between 4.25% and 4.5%, a 15-year high.

In a third phase, which most Fed officials expect to reach by spring or summer, the Fed will hold the rate at some yet-to-be-determined higher level until inflation is well on its way down to its 2% goal.

The fed-funds rate influences other borrowing costs throughout the economy, including rates on mortgages, credit cards and auto loans. Raising it tends to curb hiring, spending and investment, while lowering it spurs such activity. But those effects work with what economists call long and variable lags, which means central bankers may not know for a year or more if they have tightened too much or not enough.

Nearly all Fed officials expect unemployment to increase, which could lead to deeper disagreements over where to set rates, said Nathan Sheets, chief global economist at Citigroup.

"At that point, you really could have a divergence of views between those who say, 'We want to stay tight,' and others who say, 'We've done our job. We can ease off,'" said Mr. Sheets.

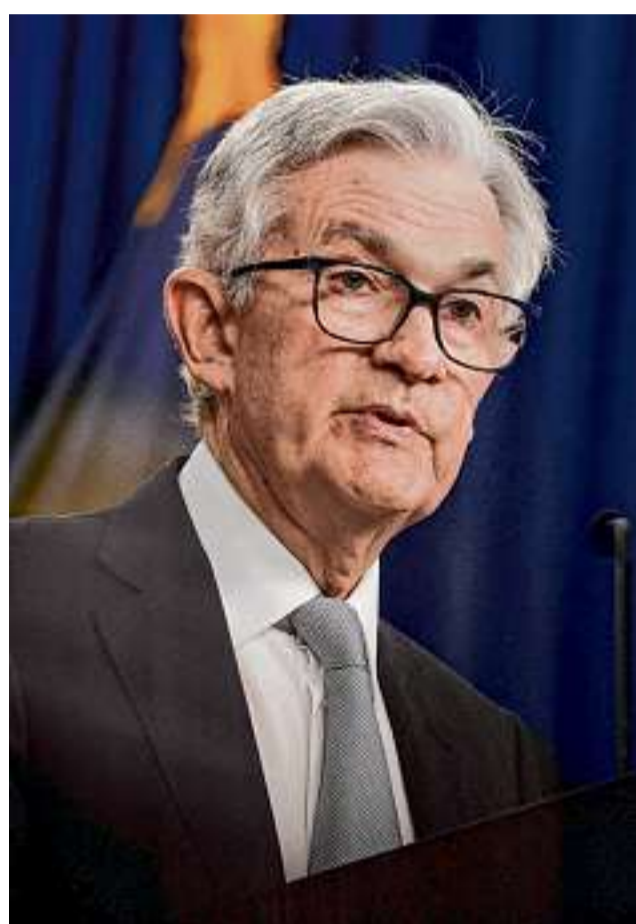
Inflation outlook

The outlook for inflation and wage pressures sits at the center of the disagreements. The Fed's preferred inflation gauge, the personal-consumption expenditures price index, rose 6% in October from a year earlier. Core prices, which exclude volatile food and energy categories, rose 5%.

The divide falls into two camps: the doves, who think high inflation is likely to steadily decelerate and want to minimize potential job losses, and the hawks, who more readily embrace stiffer measures to fight inflation.

The doves argue that high inflation reflects unexpected disruptions such as the pandemic and Russia's invasion of Ukraine. They think just as these shocks wane, the Fed's swift rate increases will significantly weaken economic demand, forcing companies to compete for sales by lowering prices. They expect to see this cool inflation for housing, autos and other long-lasting goods.

Doves are urging patience. They worry that the central bank might raise rates higher



Federal Reserve Chair Jerome Powell, above, faces two difficult questions: how high to raise interest rates from here, and how long to hold them at that level to conquer inflation. Below, a grocery store in Mamaroneck, N.Y.



FROM TOP: ELIZABETH FRANITZ/REUTERS; TIMOTHY MULCAINE FOR THE WALL STREET JOURNAL

than needed to reduce inflation and cause an unnecessarily deep economic downturn. At last month's Fed meeting, some warned against continuing to raise rates in historically large moves of 0.75 point for this reason, according to minutes of the meeting.

Chief among their concerns is that the Fed has moved so quickly this year that it hasn't had time to study the effects on the economy.

After the Fed stops raising rates, "if we have to, we can always tighten further," said Philadelphia Fed President Patrick Harker last month. "But we should let the system work itself out, and we also need to recognize that this will take time."

Some doves have also paid more attention to the harm caused by downturns. "I do worry that the presumption...that a recession is almost inevitable is not helpful, because I truly do not see it that way," said Boston Fed President Susan Collins in an interview last month. "The costs of unemployment are very real for people, and that's something I take seriously."

The hawks also see inflation slowing, but to levels between 3% and 4% if hiring doesn't slow significantly. They worry that without a weaker labor market, price pressures would stay unacceptably high because employees could win bigger raises that keep paychecks and prices rising in lockstep.

"It's making me nervous—more and more businesses are saying: Well, we're building in 5% wage growth next year, and we don't know if it's going to be enough" to retain workers, said Christopher Waller, a Fed governor, last month.

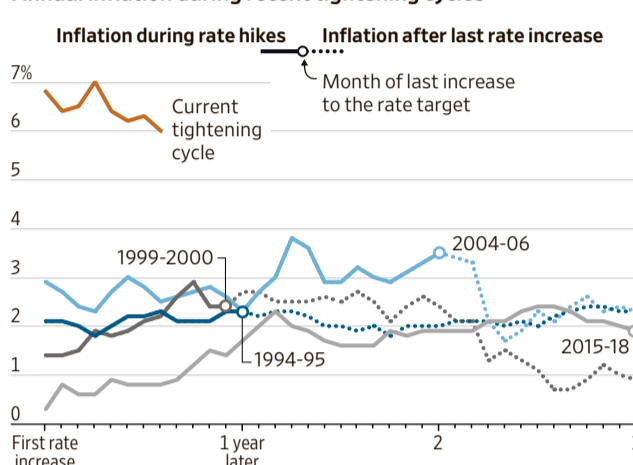
Wage growth has been running around 1.5 to 2 percentage points too high, Mr. Powell said last month. "We want wages to go up strongly, but they have got to go up at a level that is consistent with 2% inflation over time," he said.

Kansas City Fed President Esther George said she thinks it is unlikely that the Fed can lower inflation without a recession. The labor market is so strong, she said, "that I don't know how you bring this level of inflation down without having some real

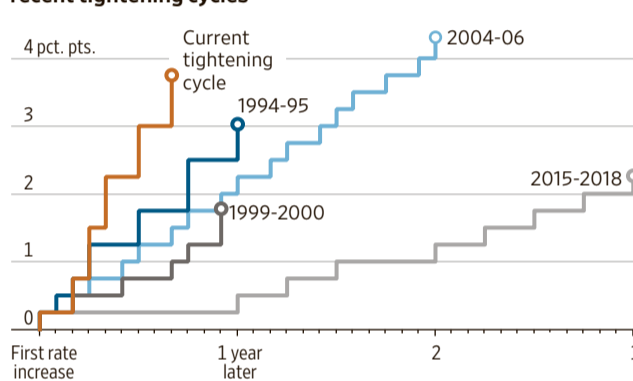


Kansas City Fed President Esther George, left, and Boston Fed President Susan Collins, right.

Annual inflation during recent tightening cycles*



Cumulative increases to the federal funds rate target during recent tightening cycles



*Seasonally adjusted; based on change in personal consumption expenditure prices from a year earlier
Sources: Federal Reserve (cycle dates, federal funds rate increases) and Commerce Department (inflation) via St. Louis Federal Reserve

and then after surging for a year, it really came down on its own."

Other economists see risks that inflation stays elevated unless the economy goes through a recession because the U.S. faces more persistent labor shortages and because wage inflation tends to be difficult to bring down without a downturn. Some of these economists see a risk that, even after a downturn, inflation declines but still runs above the Fed's 2% target.

"Getting inflation down to 3% or 4% should not be all that hard," said Ethan Harris, head of global economics research at Bank of America. "Getting close to 2% in the next couple years will be much harder and may not even be doable."

Normally, the Fed would cut rates as soon as it thinks the economy is entering a recession, said Mr. Harris, but he thinks investors are in for a surprise next year when the Fed doesn't do that. "People don't understand this will be a very different recession," he said. "This is one where they're willing to deliberately create a recession, and they're not going to cut right away."

Seeking consensus

For now, Mr. Powell has signaled his intention to follow through on the rate increases that investors anticipate, which would lift the Fed's benchmark rate to around 5% by March, as he seeks to forge a consensus. After that, many forecasters expect the Fed to continue raising rates in more traditional quarter-point increments if it concludes the economy hasn't slowed enough to sufficiently reduce inflation.

Mr. Powell said last month he would prefer to go "slower and feel your way a little bit to what we think is the right level" and then "to hold on longer at a high level and not loosen policy too early."

Mr. Powell is already under fire from some Democratic lawmakers for what they say has been a hasty overreaction. "There is a big difference between landing a plane and crashing it," Sen. Elizabeth Warren (D., Mass.) said at a conference last month.

Some investors think Mr. Powell will flinch on raising rates once unemployment rises, but former Fed governor Randal Quarles, who has known the Fed chair since they worked in the Treasury Department in the early 1990s, said Mr. Powell is determined to avoid Mr. Burns's mistakes of failing to control inflation.

"People really misjudge the fact that Jay is a diplomat and a genuinely good guy to mean he's a conciliator—which is absolutely not the case," said Mr. Quarles, who served at the Fed from 2017 to 2021. "He'll have a very clear view, and he's committed to doing what the law requires," which is to lower inflation.

During a panel discussion this spring, Mr. Quarles told a story of how a newly hired security guard had come to his Fed office late one night after Mr. Quarles accidentally triggered an alarm. After the guard showed interest in the artworks hung on his office wall, Mr. Quarles began explaining why he had displayed an abstract painting done by Mr. Burns.

No explanation was needed. "That's the guy who let inflation get out of control," the guard said.

The story shows, Mr. Quarles said, "that this is an institution from top to bottom that knows the one great sin that will be remembered by everyone 50 years later is if you let inflation get out of control."

slowing—and maybe we even have contraction in the economy to get there."

The hawks worry the Fed will start cutting rates too soon once the unemployment rate rises, risking a repeat of its stop-and-go tightening of the 1970s. Economists see that as a disastrous policy error by then-Chairman Arthur Burns. Inflation didn't come down until the early 1980s, when then-Chairman Paul Volcker raised rates sharply. The unemployment rate rose to 10.8% in 1982, its highest level at the time since the Great Depression.

Several Fed officials, including Mr. Powell at a news conference last month, have suggested it would be worse for the country if inflation resurges and they have to restart rate

increases later in 2023 than to raise rates too much and trigger a recession.

Mr. Volcker's experience shows "when there are recessions triggered by tight monetary policy to crush inflation, the recovery can be very quick from that," said Minneapolis Fed President Neel Kashkari during a panel discussion on Oct. 18. Since joining the Fed system in 2016, Mr. Kashkari was among the central bank's biggest doves. This June, he revealed his rate-rise projections were among the most hawkish of his colleagues.

Some economists think the Fed has already tightened too much. Alan Detmeister, an economist at UBS, expects core inflation to fall rapidly after a recession hits next year. He sees it declining to 2.1% by the end of 2023 and 1.6% in two years.

Mr. Detmeister, who once headed the Fed research division responsible for forecasting wages and prices, said he thinks the current period of high inflation looks more like the price spikes that followed the end of wartime mobilization in the late 1940s than it does the beginning of a wage-price spiral that took root in the late 1960s and early 1970s.

Just as has been the case after the pandemic, after World War II "you had large fiscal stimulus, large excess savings, big labor market turmoil, a real shift in what people were buying," he said. "Inflation spiked,

DAVID L. IRVING/THE BOSTON GLOBE/GETTY IMAGES



FROM TOP: SEARCHLIGHT PICTURES, ABC

◀ Brendan Gleeson and Colin Farrell earned nods for roles in 'The Banshees of Inisherin.'

best performance by an actor in a movie drama, though he has already said he wouldn't attend the event. He has accused an HFPA member of groping him in 2003, which the now-former member has denied.

For all the ways in which the Globes have been P.R. savvy—favoring celebrity nominations, allowing booze to flow freely during the telecast, courting buzz with risqué hosts like comedian Ricky Gervais—few awards ceremonies have stumbled in the public eye as badly as this one.

Longstanding complaints about the HFPA came to a head last year when reporting by the Los Angeles Times revealed financial and ethical lapses in the organization. After the association confirmed that not a single Black person was among its 87 members, it now says Black voters comprise 10% of its newly expanded ranks of 200 members.

The organization's other recent reforms include changing its code of conduct and hiring a chief diversity officer.

The question remains how robust the celebrity presence will be at the January ceremony. Last year, stars including Mr. Cruise and Scarlett Johansson spoke out against the group amid the controversy. The show was reduced to a series of tweets announcing the winners.

The Globes help set the stage for an awards season that culminates with the Oscars. But instead of airing on a Sunday night, the Globes will be bumped to an unceremonious Tuesday.

Stand-up comic Jerrod Carmichael will host the 80th Golden Globes on Jan. 10 on NBC. Mr. Carmichael is known for the film "Neighbors" and the NBC sitcom "The Carmichael Show."

Several of TV's buzziest titles received nominations, including "The White Lotus," HBO's social satire about rich people on vacation at a luxury hotel whose second season wrapped up on Sunday night. The show, nominated for best limited series, also saw

nods for members of its ensemble cast: Jennifer Coolidge as the messy rich woman Tanya and Aubrey Plaza as the steely lawyer unaccustomed to her husband's new wealth, were nominated for best supporting actress in a miniseries. F. Murray Abraham, who plays the leering voice of an older generation, was nominated for best supporting actor in a miniseries.

'Banshees' Tops Golden Globes

Dark comedy garners eight nominations; 'Top Gun' and 'Avatar' earn two nods each

By ELLEN GAMERMAN

"THE BANSHEES of Inisherin," a dark comedy about alienated friendship that few people saw, led the pack in the Golden Globe nominations on Monday morning with eight nods, including best picture in a musical or comedy, outpacing some of the season's starriest and most expensive films.

After scandals, the Hollywood Foreign Press Association award show is back on NBC.

Blockbusters "Top Gun: Maverick" and "Avatar: The Way of Water" were nominated for best motion picture in a drama. The movies both received two nominations each.

On the television side, "Abbott Elementary," the comedy about life inside a Philadelphia public school, led the pack with five nominations, continuing the success of the comedy series that has been a critical darling since it launched last year.

The announcement of the Golden Globe nominees marks the next step for a scandal-plagued Hollywood Foreign Press Association, which oversees the awards, as it attempts to get back into Hollywood's good graces. NBC pulled the plug on the 2022 telecast amid allegations of corruption, self-dealing and lack of diversity in the HFPA. The network is bringing back the awards show—which typically kicks off awards season—on a one-year trial basis.

"Everything Everywhere All at Once," the story of a single family across multiple universes, also made a strong showing with the second-most nominations—a total of six—including best actress in a motion picture musical or comedy for Michelle Yeoh. The Malaysian actress, 60, who has gone largely unrecognized at awards shows despite a long career, is entering the awards season with momentum.

Unlike the Oscars, the Globes separates many major awards between the drama and comedy or musical genres.

"Babylon," the three-hour epic from Damien Chazelle about the seismic shift in Hollywood from silent films to talkies, and "The Fabelmans," Steven Spielberg's semi-autobiographical film about



'Abbott Elementary' led the television side with five nominations, including ones for best musical or comedy series and Quinta Brunson for best actress in that category.

his childhood discovery of filmmaking, came in third in the movie count with five nods each.

Two heavy hitter actors, Tom Cruise and Will Smith, weren't nominated for "Top Gun" and "Emancipation," respectively. Mr. Cruise was reported to have returned his Globe statues amid the HFPA controversy. Mr. Smith comes off a rocky year after this

year's Oscars when he slapped Chris Rock on the stage and was barred from attending future Oscars ceremonies. "Emancipation," based on the true story of a slave's run for freedom, was shut out entirely.

Brendan Fraser, who plays an obese English teacher attempting to reconnect with his daughter in "The Whale," was nominated for

By ANNE TERGESEN

Retirees walloped by high inflation and volatile stock and bond markets are getting some good news: The 4% spending rule—or something close to it—is back.

The traditional advice for retirees who need to make their money last for 30 years is to spend no more than 4% of their savings in the first year of retirement, and in subsequent years raise those withdrawals to keep pace with inflation.

A year after researchers at Morningstar Inc. recommended a spending cut, the move back to something close to a 4% spending rate makes retirement more feasible for those considering it.

"It's counterintuitive, but when valuations are high, it is the worst time to retire," said Morningstar personal finance director Christine Benz, a co-author of research released last year that recommended that people taking a first withdrawal in 2022 keep it to 3.3% due to expectations for lower future investment returns.

In a report released Monday, Ms. Benz and her co-authors say current market conditions now allow for a 3.8% spending rate for new retirees with a 30-year horizon. The reason: Today's lower stock and bond valuations support expectations for higher future investment returns than was the case last year.

The recommended withdrawal rate for new retirees varies from one year to the next, rising and falling with thousands of simulations of future market conditions.

Using Morningstar's updated 3.8% spending recommendation, someone who retires today with a



The 4% Rule for Retirees Comes Back

Morningstar says it is now safer for higher initial withdrawals

\$1 million portfolio with 50% in stocks and 50% in bonds would spend no more than \$38,000 in 2023.

Assuming inflation rises 5% next year, the investor would increase annual income by that same percentage to \$39,900 in 2024, regardless of the market's performance. (For many new retirees, the amount in year one may be similar to what they would have taken as a withdrawal had they retired a year ago and used the lower spending rate on a higher account balance.)

"If you are thinking about re-

tiring, you can use 3.8% as a test of the viability of the withdrawal you are considering," said Ms. Benz, adding that retirees who are willing to cut their spending when the markets fall can start slightly above 3.8%.

For example, the report said new retirees willing to forego inflation adjustments in any year following portfolio losses can withdraw 4.4% to start and still have a 90% chance of not running out of money over 30 years.

Those already retired should stick with the recommended with-

drawal amount they started with, rather than switch to 3.8%.

Someone who retired a year ago with \$1.2 million and used the 3.3% withdrawal rate Morningstar recommended at the time would have spent \$39,600 this year. Assuming inflation rises 7% for the full year, the method allows for raising that spending to \$42,372 in 2023.

But Ms. Benz said people who retired last year and want a high degree of certainty their money will last should consider taking a smaller inflation raise or foregoing an increase altogether if they

can afford to.

Ms. Benz said last year's 3.3% recommendation may have been too high, due to the convergence of simultaneous declines in stocks and bonds and high inflation, a combination that is especially challenging for new retirees.

When inflation is high, withdrawals made under the 4% rule's method grow significantly. And when bear markets occur, retirees have to take money out of a portfolio that is shrinking.

Both situations mean the portfolio has to earn a higher return to prevent depletion and can be especially dangerous early in retirement because most retirees need their savings to last decades.

Four percent is the historic starting spending rate that would have protected retirees from running out of money in every 30-year period since 1926, even when economic conditions were at their worst, according to retired financial planner Bill Bengen, who devised the 4% rule in 1994.

Mr. Bengen's research indicates that the worst 30-year period in which to retire started on Oct. 1, 1968, due to the relatively anemic investment returns and high inflation that prevailed for much of the 1970s.

A 3.8% withdrawal rate is most reliable for portfolios with 30% to 60% in stocks and the rest in bonds, according to Morningstar.

If you invest less than 30% in stocks, your returns may be insufficient to support a 3.8% inflation-adjusted withdrawal for 30 years. With more than 60% in stocks, there is greater risk portfolios may lose so much during a bear market that they won't be able to recover.

PERSONAL JOURNAL.

By CORDILIA JAMES

Do you have trouble hearing what people are saying on TV? There are many ways you can improve the audio if you know where to look.

More people have turned on closed captions in recent years, reading along as they watch a movie or show. Most say they have trouble hearing dialogue. That results in part because of the production process, the downside of on-location recording, mumbling actors and creative mixing by the studios. But even clean audio can be harder to hear now that TVs have become so thin. Their embedded speakers often don't even point at you.

TV makers are working to address these problems, equipping their models with special settings and offering additional equipment to make conversations sound clearer. Finding those fixes in your TV's labyrinth of menus can be a little unclear, though. And sometimes you just need to bring in extra hardware: a soundbar, for instance, or a pair of headphones.

Boost the dialogue

Your TV's default sound settings should deliver audio that best blends all the spoken words, sound effects and music that studios now pack in—but dialogue can still be difficult to hear.

Some TVs offer settings that bring dialogue to the forefront. They might help you hear conversations better, but sound experts warn they could make other parts of the soundtrack worse. Play around to find the right audio setting for you. Also, remember where to find it on the menu because you might want to switch settings for different shows and movies.

Samsung TVs have an Amplify feature that can detect and increase the volume of mid-pitch and high-pitch sounds in a mix so that voices will sound a bit louder than music, sound effects and other noises at a lower pitch. Press Home on your remote and then select Settings > Sound > Sound Mode > Amplify.

Sony TVs have a similar preset called Dialogue. Go to Settings > Display & Sound > Sound > Sound mode > Dialogue. On the company's Bravia TVs, there is also Voice Zoom, which lets you adjust how much you would like the dialogue to stand out. Open Settings > Display



Say What? How to Fix Hard-to-Hear TV Dialog

& Sound > Sound > Sound customization > Voice Zoom.

Dialogue enhancement on many Roku TVs works by increasing the volume of speech separately from background audio. Press the star on the Roku remote and then select Sound settings > Dialogue enhancement > On.

Artificial intelligence technology in LG TVs should also make dialogue sound clearer. Go to Settings > All Settings > General > AI Acoustic Tuning. That way, the TV can analyze the acoustics of your space. Then go back and turn on AI Sound to get customized sound based on what you're watching.

Upgrade your speakers

Hollywood sound engineers create larger-than-life mixes for surround-sound systems or the immersive Dolby Atmos format. Even though the engineers test to make sure the squished versions that come through our TVs' tiny speakers sound OK, that isn't always the

case in practice, said Mark Lanza, president of the Motion Picture Sound Editors professional society and a sound designer for Sony Pictures.

An external speaker system can give you a taste of theater sound in your home. Many include a booming subwoofer and five smaller speakers that you set up around your TV room. But wiring up all those speakers can get messy, and the newer wireless ones can quickly get pricey.

That is why a soundbar makes for a great first stop. Most soundbars have an array of speakers so they can project sound across the room in different directions, creating a virtual surround-sound experience. They are compact enough to sit under your TV but can deliver

some of what those extra speakers do. And if you want to jump from virtual surround sound to true surround sound, you can typically add extra front and rear speakers later as long as they are the same brand.

Roku's \$180 Streambar Pro is one option our team has tested. It works with any TV with an HDMI port, reproducing clear dialogue

and automatically reducing the volume of loud commercials. It supports additional Roku wireless speakers for easy expansion. And a Roku 4K video streamer is built in, so you don't have to buy a separate device. The \$449 Sonos Beam is a good option if you already have Sonos speakers in your home. Another popular soundbar, the \$499 MagniFi Mini AX, comes with a wireless subwoofer.

Grab your headphones

Headphones and earbuds—and yes, even hearing aids—are great for watching a film or show without disturbing others. They can also improve your TV audio experience.

If your TV has Bluetooth, there is a good chance you can pair audio devices you already own. Make sure your software is up-to-date on both the device and the TV. Put your device into pairing mode, according to its specific instructions and then head to the TV's Bluetooth settings.

If you have trouble pairing them, your audio device might be incompatible with your TV. Matching brands can help. Apple's AirPods are optimized for Apple devices, so your best bet is pairing them with an Apple TV streaming box. Some earbuds tweak the audio to make you hear the TV even better.

Headphone listening doesn't have to be a solo affair. Newer Samsung TVs let you pair multiple headsets at once, and not only Samsung-branded ones. Select Menu > Settings > All Settings, Sound > Sound Output > Bluetooth Speaker List. Highlight your device and select Pair and Connect. Repeat the steps for your second device—only this time when you highlight it, choose Multi Connect.

Apple TV has a similar function that lets you simultaneously connect two pairs of compatible Apple wireless headphones, such as AirPods and Beats headphones.

There is only so much you can do to fix bad audio. Some of these tweaks might diminish only part of that Hollywood sound, but they can at least help you hear what people on screen are talking about.



The Roku Streambar Pro can serve as the only speaker or as the centerpiece of a wireless, surround-sound setup.

FROM TOP: PHOTO ILLUSTRATION BY WALL STREET JOURNAL; ISTOCK; ROKU

ROLEX

OYSTER PERPETUAL SEA-DWELLER

MANFREDI
jewels

New Canaan
manfredijewels.com

ROLEX * OYSTER PERPETUAL AND SEA-DWELLER ARE ® TRADEMARKS.

Why Heart Attacks Hit at Holidays

By SUMATHI REDDY

People often put off going to the doctor during the holidays, but they shouldn't ignore signs of heart problems that can arise during the festive season.

Winter and especially the holidays are the time when heart attacks and other cardiovascular problems spike, doctors say. More cardiac deaths happen on Dec. 25, Dec. 26 and Jan. 1 than on any other days of the year, research has shown. Heart disease, which includes heart attacks, is the leading cause of death in the U.S. year-round.

Other heart problems such as heart failure and atrial fibrillation also increase around the winter holidays, cardiologists say.

Heart-related medical problems increase during the winter probably in part because respiratory viruses and cold weather cause some constriction of the blood vessels, which may put more pressure on the heart. Respiratory viruses, including Covid-19 and flu, can affect breathing and oxygen levels and lead to inflammation.

And the holidays add extra disruptions to routines, diet and sleep that can heighten the risks.

Holiday disruptions

One big problem during the holidays, cardiologists say: People are less likely to seek medical care and more likely to forget to take their medications.

People experiencing mild symptoms often put off going to the doctor until the New Year because they are busy or traveling, says Mitch Elkind, chief clinical science officer for the American Heart Association and a stroke neurologist at Columbia University in Manhattan. Elderly people may have a hard time getting to the doctor if their caregiver is away.

Stress from travel, family gatherings, less sleep and busy schedules also contribute to heart issues.

Changes in diet

Indulgent holiday meals—especially ones high in salt—contribute to heart issues. So can alcohol.

Tina Shah, a cardiologist for Kaiser Permanente in Seattle, says she sees heart failure get worse in patients who aren't careful with their salt intake and dietary and beverage choices. Fluid can build up in such patients, causing shortness of breath.

One salty, unhealthy meal can be enough to trigger

symptoms and excessive fluid buildup, she says.

Alcohol can present risks for people with atrial fibrillation. "Even one drink heightens their risk about twofold," says Gregory M. Marcus, a cardiologist and professor of medicine at the University of California, San Francisco. He recommends that people with atrial fibrillation minimize their alcohol intake or avoid drinking completely.

In women, heart-attack symptoms can include nausea, lightheadedness, back pain and fatigue.

Signs of heart failure include shortness of breath, especially if you haven't done any physical activity, and swelling in your legs, says Dr. Shah. Bloating or stomach



discomfort is another symptom, as is loss of appetite, she says. A dry cough that doesn't go away is another red flag. So is sudden weight gain—perhaps 2 to 3 pounds overnight, or 5 pounds over a week, she says.

What to do

If a family member or friend experiences heart-attack symptoms, call 911 or get them to the emergency department, doctors say. If someone collapses and appears to be in cardiac arrest, call 911 and start cardiopulmonary resuscitation.

Don't dismiss symptoms, even though they can be confused with other common ailments, such as heartburn.

"Don't assume you know what it is. Get it checked out," Dr. Elkind says.

Warning signs

With heart issues, the earlier you seek care, the better the outcome. So it's important to get care immediately if you have warning signs, cardiologists say.

Signs of a heart attack can include chest pain, often described as a feeling of pressure, or like an elephant

PHOTO ILLUSTRATION BY WALL STREET JOURNAL; ISTOCK

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

SZA's Expansive R&B Return

More than five years after her landmark debut, the singer is back with a much-anticipated album

In June 2017, R&B singer Solána Rowe, who performs as SZA, put out her debut album, "Ctrl." It was a landmark release that was remarkable even during a high-water period for artful music in the genre, following on Frank Ocean's "Blonde" and Solange's "A Seat at the Table" from the year prior. Compared with those two LPs, which mixed introspection with observations about race and identity, SZA's record was earthier and more relatable, but no less profound. "Ctrl," which featured hazy beats and SZA's singular raspy phrasing on tracks about relationships and personal growth, sounded startlingly new—and it was immediately clear that an important voice in R&B had arrived. The album and songs on it were nominated for four Grammys and SZA herself was nominated for a fifth, for Best New Artist. After she toured in 2017 and into 2018, the next question was what she would do for a follow-up.

That query would remain unanswered for a long time. She released several singles, some through official channels and some by posting via an anonymous SoundCloud account. But for a combination of ever-shifting reasons—conflicts with her label, difficulty wrangling featured guests, SZA's own perfectionism—no album was forthcoming. Finally, she returns with "SOS" (Top Dawg/RCA), out now, a focused and varied collection of material that builds on its predecessor and meets fans' high expectations.

Above all, "SOS" is a brilliant showcase for SZA's distinctive vocal style. She's the Mary J. Blige of her generation, an R&B singer with a discernible connection to the genre's gospel roots who has updated her approach to fit with the street-informed attitude and style of contemporary hip-hop. Though the melodies throughout are strong, they often sound at least partly improvised, the product of SZA's exceptional phrasing rather than something written beforehand. So these songs wouldn't be terribly easy for another artist to cover, and while they are uniformly memorable, SZA's voice and presentation stick in the mind as much as the tunes.

The album's first half feels like a conscious extension of the general style of "Ctrl," with songs built around woozy beats and atmospheric synth lines. Over this dream-like backdrop, SZA's voice is sometimes processed to sound distant and ghostly. On the opening title track, she seems to riff off the top of her



SZA performing at the Austin City Limits Festival in October; her new record, 'SOS,' has just been released.

SUZANNE CORDEIRO/AGENCE FRANCE-PRESSE/GETTY IMAGES

head, tossing out clusters of thoughts that are often profane and funny while laced with vulnerability; the following "Kill Bill" and "Seek & Destroy" zero in on lovers who have jilted her and the new women they've taken up with.

There's a lot of anger on this record, much of it directed at boyfriends who fail to treat SZA right and yet remain objects of obses-

sion, but her barbed put-downs are always delivered with humor. And tender tracks are infused with raucous asides. "Blind," a song about seeking external validation when you don't love yourself, is a gorgeous, ethereal ballad thick with reverberation. "All of the love I see living inside of me / I can't see, I'm blind" sit alongside couplets best understood as dirty jokes. These are pieces that want to express an entire world of feeling and not limit themselves to conveying a single mood or emotional expression. That said, SZA's lyrics are not the focus. They are conversational and they function like conversation: You experience them at the moment, rather than going back later and reading the transcript.

The second half of "SOS" is where one finds both genre experiments and the album's most apparent pop moves. Bunching this material later in the record is a wise sequencing decision because interest continues to

It starts off sounding like its predecessor—and then veers into thrilling genre experiments.

build as the album unfolds. The turning point on the LP is the 12th track, the mid-tempo ballad "Ghost in the Machine," featuring indie-folk singer-songwriter Phoebe Bridgers. Early in the track, SZA's verse is an extended riff on artificial intelligence, and she mentions the technology to complain about not feeling connected to others or herself, while Ms. Bridgers's hushed and whispery cameo serves as a counterpoint.

The next track, "F2F," is an even more significant stylistic departure. The song, which features writing contributions from Lizzo, is an explosive rock tune with an acoustic guitar intro and power chords on the chorus. SZA adapts her rhythmic vocal style to the genre perfectly, adding shouts and blocky wails as the hook arrives,

and it is, somewhat shockingly, one of the best songs on the record. The following track, "Nobody Gets Me," is almost as strong, and it, too, has an alt-rock flavor, with a chord progression on acoustic guitar bringing to mind the moody balladry of Mazzy Star.

Among the other stylistic detours are several numbers that were issued as advance singles, including "Good Days" and the Top 10 "I Hate U." These songs, with more standard pop construction and meatier hooks, show that while SZA could be a more conventional star if she wanted, she'd rather explore her considerable range. At 23 tracks and almost 70 minutes, there's an argument that "SOS" might have worked better as two separate albums. But since the material is uniformly strong and doled out in such a way that builds momentum across the record, the LP justifies its length and works as a front-to-back listen. The long wait since SZA's last record has been worth it.

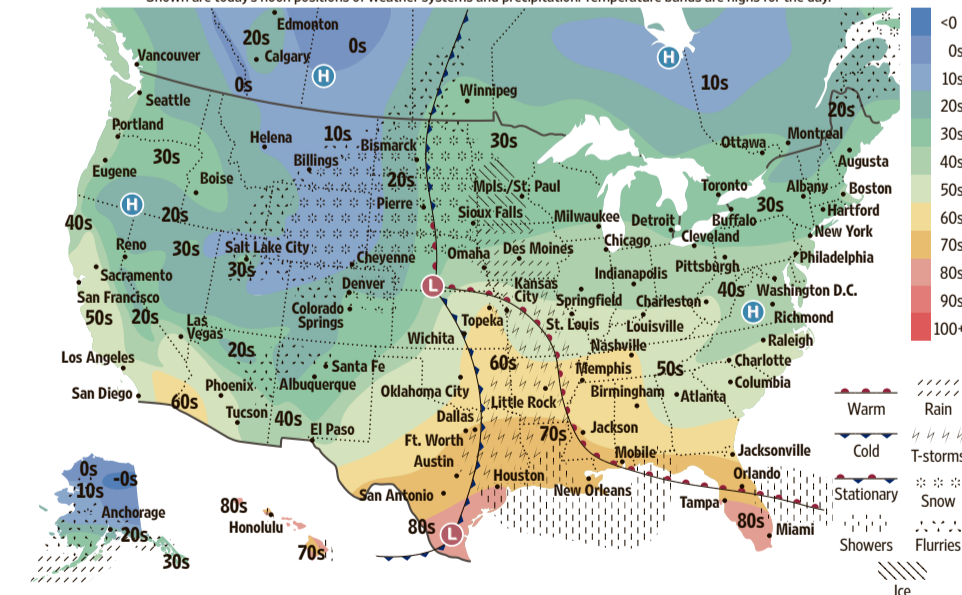
Mr. Richardson is the Journal's rock and pop music critic. Follow him on Twitter @MarkRichardson.



Weather

AccuWeather | Discover our app

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

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

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	24	19	sn	20	16	sn
Atlanta	52	44	c	51	49	t
Austin	72	52	t	68	41	pc
Baltimore	46	24	s	42	31	pc
Boise	32	14	sf	25	15	c
Boston	40	24	s	39	32	s
Burlington	29	20	c	31	24	pc
Charlotte	51	35	s	47	42	c
Chicago	42	37	c	46	37	r
Cleveland	41	30	pc	40	36	r
Dallas	70	45	t	60	37	s
Denver	31	19	sn	37	16	c
Detroit	39	31	c	40	35	pc
Honolulu	82	69	pc	82	66	pc
Houston	80	59	t	68	44	pc
Indianapolis	45	40	pc	49	41	r
Kansas City	59	28	r	44	27	pc
Las Vegas	50	34	s	49	35	pc
Little Rock	65	49	t	61	37	s
Los Angeles	59	41	s	60	43	pc
Miami	81	69	pc	81	72	r
Milwaukee	42	36	c	42	37	s
Minneapolis	35	33	i	38	31	c
Nashville	61	51	pc	58	45	r
New Orleans	78	69	c	74	52	t
New York City	41	29	s	40	32	t
Oklahoma City	60	29	t	49	27	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	33	25	pc	36	27	s
Athens	63	54	c	60	56	c
Baghdad	71	59	c	74	56	c
Bangkok	86	69	s	86	68	s
Beijing	27	10	s	30	16	s
Berlin	29	22	s	29	21	t
Brussels	32	26	c	33	23	c
Buenos Aires	79	68	s	89	65	s
Dubai	83	66	s	85	68	s
Dublin	39	32	c	39	26	s
Edinburgh	32	24	pc	33	25	s

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	32	26	pc	31	23	sn
Geneva	37	35	sn	48	39	r
Havana	83	58	s	85	61	s
Hong Kong	60	53	pc	57	52	r
Istanbul	55	44	sh	52	47	c
Jakarta	90	75	c	89	75	r
Jerusalem	63	50	t	61	51	sh
Johannesburg	76	59	t	77	60	t
London	37	29	c	37	27	s
Madrid	58	52	r	58	47	t
Manila	86	77	c	88	78	t
Melbourne	61	49	sh	61	50	sh
Mexico City	75	50	pc	76	55	s
Milan	39	30	sn	42	29	pc
Moscow	32	21	sn	25	16	sn
Mumbai	90	78	pc	91	77	pc
Paris	35	28	c	33	29	sn
Rio de Janeiro	80	72	t	80	69	s
Riyadh	77	55	s	81	57	s
Rome	56	45	r	58	46	r
San Juan	83	72	s	84	73	s
Seoul	37	13	sn	25	16	pc
Shanghai	55	32	pc	48	32	pc
Singapore	83	75	r	83	75	r
Sydney	77	59	s	75	55	sh
Taipei City	64	58	r	63	61	r
Tokyo	56	47	sh	56	40	pc
Toronto	34	22	s	31	29	pc
Vancouver	38	30	s	39	28	s
Warsaw	30	15	c	25	23	c
Zurich	28	26	sn	44	35	r

The WSJ Daily Crossword | Edited by Mike Shenk

HOME IMPROVEMENT | By Regis Cleary

- Across**
- 1 "You're so funny"
 - 5 Corp. powers that be
 - 9 Mariner's "Halt!"
 - 14 Ruck of "Succession"
 - 15 Word after Bay or gray
 - 16 March 14, to math fans
 - 17 Couple's crib?
 - 19 Good but not great grade
 - 20 Vase contents
 - 21 Like some tea and doughnuts
 - 23 Altar promise
 - 24 First-class home?
 - 28 Hoping to be brought home
 - 30 Output of une fontaine
 - 31 "The Purlined Letter" author
 - 32 Setting of a fork, perhaps
 - 36 Quarterback play
 - 40 Journalist's pad?
 - 44 Tenderer to the touch
 - 45 Protoplasm holder
 - 46 "I told you!"
 - 47 Earth-friendly prefix
 - 49 Dutch brewery
 - 52 House of cards?
 - 58 Busy mo. for a CPA
 - 59 Effective insult
 - 60 Writers Roberts and Ephron
 - 63 Tony sings to her in "West Side Story"
 - 66 "The Jeffersons" theme song, exemplified by this puzzle's improvements
 - 68 Eggs on
 - 69 Enterprise competitor
 - 70 Trillion, in metric prefixes
 - 71 Messenger bag feature
 - 72 Boston cager, briefly
 - 73 Spanish Mmes.
- Down**
- 1 Dutch painter
 - 2 Heaps
 - 3 What people want to do with a likable candidate, supposedly

- 4 Hemoglobin deficiency
- 5 ___-jongg
- 6 "Indiana Jones and the Last Crusade" prop
- 7 Destination of a hajj
- 8 Not available
- 9 Alert from the NYPD
- 10 Recipient of red-carpet treatment
- 11 Forgo the script
- 12 Resident of 7-Down
- 13 Cicely with an honorary Oscar and a Presidential Medal of Freedom
- 18 Lith. and Latv., once
- 22 "Look at Me, I'm Sandra ___" ("Grease" song)
- 25 Its national animal is the vicuña
- 26 Elliot of the Mamas & the Papas
- 27 Cheap babysitter, perhaps
- 28 Makes a choice
- 29 Neighborhood south of Astor Place
- 33 "The Rings of Power" extra
- 34 Had a date?
- 35 FedEx competitor
- 37 New York resident, e.g.
- 38 To ___ (perfectly)
- 39 Ship part
- 41 Income for agents
- 42 Killer whale
- 43 Flier that serves Passover meals
- 48 Bubble, essentially
- 50 "Heat" director Michael
- 51 Makes room on a bench
- 52 Sites for counselors
- 53 In different places
- 54 "404 Page Not Found," e.g.
- 55 Cousin of poison ivy
- 56 Show to be true
- 57 Forging need
- 61 Special something
- 62 Yoga venues
- 64 Mont. neighbor
- 65 Cleopatra's killer
- 67 Follower's suffix

Previous Puzzle's Solution

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

SPORTS

Messi Is Embracing His Dark Side

The 35-year-old's heel turn from quiet genius to snarling avenger has been on full display during this World Cup

By JONATHAN CLEGG
AND JOSHUA ROBINSON

Lusail, Qatar
Lionel Messi has played in five World Cups and hundreds of enormous, planetary matches. He's one of the most famous people on earth. But if you thought you had seen it all from Messi over the past two decades, you were wrong.

Here in Qatar, where he's chasing the one trophy that has eluded him, the world is witnessing a new side of Lionel Messi. And it's a little bit terrifying.

The boy who discovered he had extraordinary powers and became Argentina's soccer superhero is now a grizzled, scowling man out to settle old scores and take down his nemeses. The citizens of Doha have been warned. He will stop at nothing in his quest for World Cup domination. Meet the tournament's comic-book villain: Evil Messi.

The Netherlands got their introduction to him on Friday night in a bitter contest that set a new tournament record with 17 yellow cards. When the bloodbath was over, Messi, in what is likely his final World Cup, wore a triumphant grin. "Every match," he said, "we show the same desire to battle."

In the face of Dutch trash-talking, Messi took his revenge in a way that most people in soccer had rarely seen. Once known as a shy, humble kid, who embodied soccer in its purest, most joyous form, he ranted all night, even when he was winning. He glowered when he scored. And he went after Dutch coach Louis van Gaal, who had been critical of Argentine players in the past, by cupping his hands to his ears, a message that said, *I hear everything*.

"We felt that they had disrespected us," a furious Messi told reporters later. "It's a bit of football sauce."

On a spicy evening of bench-clearing brawls that saw Argentina go 2-0 up, then allow two goals and ultimately prevail in a penalty



Lionel Messi reacts during Argentina's win over the Netherlands.

shootout, Messi also spent much of the game berating the referee, Mateu Lahoz of Spain. The two men had history—and Messi doesn't forget. Lahoz had once given Messi a yellow card during his Barcelona days for removing his jersey in a goal celebration meant to honor the flawed Argentine hero Diego Maradona. Now, Messi felt, Lahoz's decision-making was equally disgraceful.

Advancing to a semifinal against Croatia did little to lift Messi's dark mood. As long as his master plan to lift the World Cup wasn't complete, Messi wouldn't relent.

As Dutch forward Wout Weghorst waited in the stadium tunnel to swap shirts, Messi lashed out at

him, because he felt Weghorst had been one of the Netherlands' main instigators of cheap shots.

"*Que miras, bobo?*" Messi shouted in Spanish. "What are you looking at, fool? Keep walking, fool. Keep walking."

The heel turn here has been stunning. Messi arrived in Qatar projecting his customary air of aloofness. But then came a shocking loss to Saudi Arabia in Argentina's opening game, and something snapped.

The first hint of Messi's transformation came after the second match, a 2-0 win against Mexico. Video emerged from inside the Argentina locker room showing Messi appearing to stomp on a

Mexico jersey, an act that Mexican congresswoman María Clemente García Moreno believed showed such "manifest contempt and lack of respect," that she petitioned the country's Foreign Ministry to have Messi barred from entering the country.

Messi's teammates said he was just misunderstood. Evil masterminds are always misunderstood.

There was no misinterpreting what happened in the closing moments of Argentina's next match, a 2-0 win over Poland, when striker Robert Lewandowski tried to apologize to Messi for a late foul. Messi didn't merely refuse to shake Lewandowski's hand. He refused even to acknowledge his

presence, staring into the distance with the icy sneer of a man who keeps a secret lair inside a volcano.

"The thing with Leo, it was a curious moment," Lewandowski said afterward. "We exchanged a few words."

For many fans in Argentina, Messi's mood shift has only made him more adored—"Que miras, bobo?" is now on mugs and T-shirts back home. It wasn't enough that Messi might be the greatest player of all time. Or that he was Argentina's record goal scorer. They wanted a flicker of Maradona's darkness from the man who inherited his No. 10 jersey. They wanted to see Messi snarl.

"The captain showed his face once again as the leader of a team that is not willing to let an entire country down," the Argentine daily Clarín wrote after the quarterfinal. "Messi fought. Messi ran. Messi fought. And Messi celebrated."

It isn't that Messi has never had a dark side before. He just used to keep it hidden away. Instead of openly taunting opposing managers from the middle of the pitch, the way he did to Van Gaal, Messi had an insidious habit of sidling up to defenders to whisper evil in their ears. No one knew this better than Jose Mourinho, the full-time, self-styled provocateur who coached against Messi in Spain during his tenure as manager of Real Madrid.

"The truth is that the biggest football smart-ass is Messi," former Real Madrid goalkeeper Jerzy Dudek remembers Mourinho telling his players. "He covers his mouth to protect himself from lip readers when he's provoking defenders. He irritates opponents, even if he doesn't show emotions on the pitch."

Those days are gone now and Messi's all-consuming obsession is on full display. He has nothing to prove and one last glittering prize to gain. Anyone who gets between him on the trophy will become a mortal enemy.

The World Cup's remaining teams are on notice.

JASON GAY

The No-Name Quarterback Who Just Outplayed Tom Brady



A reminder, and a warning: In approximately two months, you're going to start getting deluged with a gazillion, gassy "expert" opinions about what constitutes a potentially successful NFL starting quarterback. Super Bowl LVII in Glendale, Ariz., will be in the books (Lions over the Bengals; Rihanna rocking "Umbrella" at halftime) and the NFL's 2023 pre-draft nerd circus will be in full, hyperbolic frenzy, most ferociously on the topic of possible franchise QBs.

Who's going to go No. 1? Who's going No. 2? Could _____ really be a perfect synthesis of Patrick Mahomes, Peyton Manning, Norm Van Brocklin and Harry Truman?

The commentary will be absurd. You will watch men and women with fabulous hair and teeth stare down the barrel of TV cameras and make noisy proclamations about future flops and superstars with the sort of confidence you want from bull riders and astronauts circumnavigating the moon...and yet the truth is always the same: They don't know. Nobody knows. At least not for sure.

Submitted as evidence: The breakout of Brock Purdy, the former Iowa State sensation and dead-last pick of the 2022 NFL draft, starting the very first game of his pro career versus Tampa Bay and Tom Brady.

That's right. On one side: a certain Hall of Famer with seven Super Bowl rings, and nearly every essential QB record in football history.

On the other side: Brock Purdy! In this contest, the man nicknamed "Mr. Irrelevant"—the snide nickname bequeathed upon the draft's very final selection—thoroughly outplayed the icon as the 49ers cruised to a rowdy 35-7 rout over the flailing Buccaneers.

Quarterback matchups aren't really head-to-head, of course. But San Francisco's win was a reminder

that A) the Niners are balanced team with a great defense B) the 2022 Bucs pretty much stink and C) NFL-grade talent can lurk in unexpected places.

I mean, ask Brady! The oft-platoned Michigan QB was overlooked in the 2000 draft, picked 199th in the sixth round, behind six other quarterbacks before getting selected by New England. You know what happened after that. The Brady Patriots won the AFC East 17 times, plus some other stuff.

Purdy lingered on the 99-cent shelf even longer than Brady. The 22-year-old Arizonan was picked 262nd overall, the ninth of nine quarterbacks taken, the final man

You never know. Three words of motivation every low pick must cite like a mantra. Football fashions itself as a precise business, but there's no such thing as a sure thing.

Sure enough, by the season's beginning, Purdy nudged himself to third-string, as Sudfeld moved to Detroit and the Niners surprisingly signed Garoppolo back into the fold.

By Week 2, Lance was out for the season with an ankle fracture, and Garoppolo had his old job back. Then Garoppolo broke his foot Dec. 4 against Miami, and Purdy impressed enough in a relief victory that the Niners didn't flinch when former No. 1 pick Baker Mayfield bubbled up on waivers last week.

You never know.

Yes: Purdy has landed in an enviable situation. The 9-4 Niners are coached by a crafty offensive mind, Kyle Shanahan, and Purdy can turn to dynamic weapons like Christian McCaffrey and Deebo Samuel, though Samuel appeared to injure an ankle Sunday. There's that defense, currently ranked No. 1.

Still, if you think: *Hey, I can say 'hike!' and hand the ball to*

Christian McCaffrey! you're missing what's happening here. Purdy's wowed Niners teammates with his composure; he was pummeled hard on Sunday's first play (Tampa got flagged for roughing the passer, negating a sack) only to recover and complete 16 of 21 passes, throw two touchdowns and run for a third.

Purdy himself suffered an oblique injury, but his breakout game never got close. The Niners led 28-0 at the half. It became such a one-sided smackdown that Fox bailed on Niners-Bucs for Panthers-Seahawks. Television giving up on ratings magnet Tom Brady to leap to the glamour of Sam Darnold and Geno Smith?

You never know. In the NFL, it's the only thing you can count on. Ask Brady. And Brock Purdy.



Brock Purdy, right, beat Tom Brady and the Buccaneers on Sunday.

selected as the NFL was turning on the house lights and folding up the chairs.

That he got picked at all was an accomplishment: NFL.com's pre-draft prediction for Purdy was "priority undrafted free agent," which is a nice way of saying "fighting for an arena football job in 10 months."

"*Labored release.*" "*Not physically imposing.*" "*Arm-strength limitations.*" Despite Purdy's stellar run at Iowa State (he really was a great Cyclone), pre-draft worries abounded and expectations were minimal when he joined a Niner quarterback depth chart that already included 2021 No. 3 overall pick Trey Lance, backup Nate Sudfeld, and the injured and estranged Jimmy Garoppolo.



Team ROC during the opening ceremony of the 2022 Beijing Olympics.

U.S. Supports IOC's Aim To Include Russian Athletes

By RACHEL BACHMAN
AND LOUISE RADNOFSKY

THE U.S. OLYMPIC & Paralympic Committee backs the idea to include Russian and Belarusian athletes at the 2024 Paris Olympics, as long as they don't compete under their nations' flags or in their colors, said Susanne Lyons, chair of the USOPC board of directors.

International Olympic Committee president Thomas Bach said last week that he wants Russian and Belarusian athletes to participate at the Paris Games, even if the Russian war in Ukraine continues.

Bach's statement marked a reversal from earlier this year, when the IOC called on sports federations to exclude Russian and Belarusian athletes from international events because of Russia's invasion. The U.S. supported that ban, which also came after years of mounting frustration over Russian doping scandals. The reversal sets up conflicts with some of the sports federations that still ban the athletes from competitions. Those federations, not the IOC, typically run the processes and events through which athletes qualify for the Olympics.

The USOPC position is also a reversal of its previous stance, which had been harshly critical of Russian athletes competing following a doping scandal at the 2022 Beijing Olympics involving Russian skater Kamila Valieva. The U.S. skating team that finished second in the team event in Beijing still hasn't received its medals.

The change follows a summit on Friday at IOC headquarters in Lausanne, Switzerland, that included about two dozen of the world's highest-ranking Olympic officials. The entire summit group—which included top IOC officials and heads of the federations for swimming and gymnastics—agreed to move forward to bring back Russian and Belarusian athletes as neutrals, said Lyons, the U.S. official, who attended the summit.

She said that the pivot is necessary to preserve Olympic ideals of athlete inclusion despite the sometimes objectionable or even violent actions of their governments.

"Even though this leaves a pretty foul taste in your mouth, to look like you're sliding back on this, it really is essential to the movement," Lyons said. "We very much still stand with the Ukrainian people and the Ukrainian athletes."

The only National Olympic Committees present at the meeting were the U.S., China and Russia. Absent were all other prominent Olympic Committees from European nations—representing countries that have taken in large numbers of Ukrainian refugees and rallied around economic sanctions against Russia.

In a sign of anticipated pushback from European countries, Olympic officials discussed holding some Paris 2024 trials events that normally might have been held in Europe thousands of miles away under the umbrella of the Olympic Council of Asia, Lyons said.

OPINION

Joe Biden's Nuclear Misfire



MAIN STREET
By William McGurn

Since it came into effect in 1970, the Nuclear Non-Proliferation Treaty has assumed almost sacred status in the liberal firmament. But can it survive Joe Biden's presidency?

Liberals and the arms-control establishment have always loved the NPT for its vision of a world free of nuclear weapons, with the nuclear-armed lions lying down with the nonnuclear lambs. Conservatives have embraced the eminently sensible idea of trying to limit the number of nations with access to the world's most dangerous weapons.

It is U.S. credibility and power—not our moral example—that prevents proliferation.

Unfortunately, reality is undermining whatever attraction the NPT once held. Going into 2023, the overriding incentive for those that don't have a nuke—particularly the most undemocratic countries—is to get one. The incentive for those who have the bomb is never to give it up under any circumstances.

If Ukraine hadn't given up its nukes after the collapse of the Soviet Union, would Vladimir Putin have dared invade? Likewise there's Libya's Moammar Gadhafi, who gave up his nuclear ambitions and

ended up overthrown, brutalized and killed in a drainage ditch—while Kim Jong Un, who continues with his nuclear program, has kept the North Korean dictatorship his grandfather founded intact. Cold-eyed dictators aren't likely to find much evidence that going the nonproliferation route is the better option.

This may be even more true for America's friends. How long before leaders in Taipei, listening to an increasingly bellicose Xi Jinping issuing reminders that China reserves the right to take Taiwan by force, conclude that their only hope for protecting their free society is to restart their secret nuclear program? And could anyone blame them if they did?

Right now eight states are known to have nukes—the U.S., Russia, the U.K., France, China, India, Pakistan and North Korea. Israel is assumed to have one but has not acknowledged so officially. India, Pakistan and Israel never signed on to the NPT, while North Korea signed in 1985, cheated, then withdrew in 1993.

There are rewards for going nuclear. North Korea is a nation of about 26 million, slightly smaller than the population of Texas. Yet its nuclear capabilities give it an outsized importance in world affairs. High-profile summits with then-President Donald Trump in Singapore, Hanoi and the demilitarized zone along the border between the two Koreas provide ample evidence of the special attention a nuclear arsenal commands.

Or look at Iran. The Biden



A Russian ICBM test.

administration is desperately trying to get Tehran to revive the Obama-era nuclear deal that Mr. Trump took the U.S. out of. This summer the Iranians announced they had come closer than ever to enriching uranium at a grade suitable for weapons. How long before we wake up one morning to a nuclear-armed Iran, which would destabilize the Middle East and send every Arab nation looking for its own bomb?

The NPT may appear to be a pact that favors the nuclear haves or rogue regimes that refuse to abide by its rule—while leaving rule-following have-nots at the mercy of the world's worst actors.

Most proliferation concerns focus on the rogue regimes because of the obvious threat they pose. But there's an equal if not greater proliferation problem from generally law-abiding countries that will want the security of a nuke if one of their hostile neighbors has one.

This is exactly the dynamic now with Taiwan. Were Taiwan to develop a nuke to ensure it doesn't end up like Ukraine, it would have huge ripple effects throughout Asia. Japan would probably develop one soon after, and we could quickly see a nuclear arms race in the Pacific. If Mr. Xi got wind of a Taiwanese bomb, it could easily lead him to give the order to invade.

Mr. Biden's answer to all these developments was a statement in August re-emphasizing America's commitment to the NPT and vowing that the "U.S. is determined to lead by the power of our example." This is classic liberal virtue signaling of the sort the NPT often inspires.

But neither friend nor foe will forgo nuclear weapons because of America's moral example. To the degree that the NPT has worked, it is only because of America's power, including its nuclear arsenal, which gives credibility both to its threats to enemies and its security guarantees to allies. As a Journal editorial once put it, "A credible U.S. nuclear deterrent is the world's greatest antiproliferation weapon."

But what does the world see today? A humiliating American retreat from Afghanistan, an assertive China determined to overtake U.S. military superiority in the Pacific, and a general sense that the Americans are bugging out. The hard reality is that if Joe Biden really wants the NPT to have a future, he needs to lead a massive buildup of U.S. military capabilities.

Write to mcgurn@wsj.com.

BOOKSHELF | By Bryan Burroughs

J. Edgar Hoover, Once More

G-Man

By Beverly Gage
(Viking, 837 pages, \$45)

Upon hearing there is a new biography of the late FBI director J. Edgar Hoover, you can be forgiven for flaring your eyes and breathing a sigh. Haven't we done this before?

The man who harassed everyone from John Dillinger and Nazi spies to Martin Luther King and Malcolm X has been dead for 50 years, and has already been the subject of a string of biographies, four decent ones in the 1980s and '90s alone. Love him or hate him, Hoover's legacy as a hero of the right and a villain of the left is pretty much set in stone—once you've undergone the rigors of a Leonardo DiCaprio biopic, what can be left to say?

The deeply researched, years-in-the-making reassessment that is Beverly Gage's "G-Man: J. Edgar Hoover and the Making of the American Century" suggests an answer: quite a bit. A professor of American history at Yale, Ms. Gage sweeps the myths and half-truths off Hoover's life as a museum curator might a cobwebbed antique, revealing not the bogeyman of left-wing fantasy but something no less fascinating, a closeted gay man who emerged as probably the most powerful civil servant in U.S. history.

This is a nuanced portrait in a league with the best of Ron Chernow and David McCullough, and should put to rest any number of hoary legends. The one that springs immediately to mind is the idea that Hoover sustained his five-decade career in Washington by intimidating or even blackmailing his bosses. Ms. Gage finds no evidence to back this canard.

Rather, as she demonstrates, Hoover was kept in office because he made himself indispensable to his White House masters, most notably Franklin Roosevelt, who did as much as Hoover to create the modern FBI. It was Roosevelt who brought the little-known agency renown by sending Hoover in pursuit of Depression-era criminals like Dillinger; who first ordered the FBI into the intelligence business; and who, faced with the specter of Nazi and Japanese saboteurs, quadrupled the size of the agency during World War II.

Hoover the valued subordinate and all-star networker, who forged discrete alliances with everyone from the ACLU to the NAACP, is a far cry from the familiar caricature. Ms. Gage writes that "Hoover surged into the final months of the war as a darling of the New Deal establishment, known as a protector of civil liberties and a vanquisher of Nazis, saboteurs, and race-baiters." Had he stepped down then, what a very different legacy he would have left.

Hoover's postwar decision to refocus the FBI on anti-Communism brought him his greatest influence and popularity. In 1950, 73% of those in a Gallup Poll rated his performance "good" or "excellent." But the drive against Communism also brought, in 1956, the notorious COINTEL-PRO initiative, the dirty-trick campaigns targeting the Communist Party that in following years would be used with devastating effect against civil-rights groups from the Southern Christian Leadership Conference to the Black Panthers.

The need to protect FBI sources has also left Hoover's career vulnerable to misinterpretation. Would the conviction of atomic spy Julius Rosenberg have been so zealously protested if Hoover had divulged his top-secret source, the war-era Soviet cables known as Venona? Would he have been so vilified for investigating Martin Luther King had he divulged what sources inside the Communist Party were saying—and Ms. Gage confirms—about two of King's top advisers? How many conspiracy theories might we have been spared had Hoover told the Warren Commission all he knew about the Kennedy assassination? He sensed it even at the time, sighing that the matter "will be a matter of controversy for years to come, just like the Lincoln assassination."

Sweeping the myths and half-truths off the life of the long-time FBI director, probably the most powerful civil servant in U.S. history.

Thanks to a stream of disclosures over the last 30 years, many the result of the author's Freedom of Information Act requests, "G-Man" is full of interesting revelations, such as Ms. Gage's discovery of a litany of mental illnesses and business failures that afflicted Hoover's family before and during his childhood. She makes a bit too much of the impact his white-supremacist college fraternity, Kappa Alpha, had on his lifelong racism; while Hoover hired plenty of KA's at the FBI, one imagines his years growing up in a segregated Washington were just as formative. (And for all the pages examining his bigotry, it's still jarring to read of Hoover instructing agents investigating King to "destroy the burrhead.")

Notably, "G-Man" does the best job yet (mostly) piercing the veil of Hoover's private life with his longtime partner and aide Clyde Tolson. Among Washington friends they were treated as a married couple; Richard and Pat Nixon, among others, addressed their dinner invitations "to Edgar and Clyde." Ms. Gage's cataloging of Hoover's effects, from the nude male statues to the poetry lauding the "friendship" of men, is tastefully presented and a little sad.

The FBI's 1960s-era abuses, especially the harassment of King, have been extensively chronicled. Ms. Gage suggests Hoover's advanced age was as likely an explanation for this as his ingrained racism and long-held antipathy toward civil-rights groups. It also set him against John F. Kennedy's sexual dalliances. The buttoned-up Hoover was aghast at all of the era's changes, moaning how the '60s were awash in "decadent thinking" and "self-indulgence." As Ms. Gage puts it: "Hoover's was in part a generational lament, the commentary of a man born in the late nineteenth century, increasingly baffled by modern ways and manners."

In the end, Hoover's legacy will always be marred by the abuses of his final years in office, which is as suitable as it is tragic. What would the civil-rights movement—what would the '60s—what would America itself be like if not for his FBI? Ms. Gage's conclusion is damning. "Hoover," she writes, "did as much as any individual in government to contain and cripple movements seeking social justice, and thus to limit the forms of democracy and government that might have been possible."

Mr. Burroughs's books include "Barbarians at the Gate" and "Forget the Alamo."

It's Time to Prepare for Ukrainian Peace



GLOBAL VIEW
By Walter Russell Mead

In times of peace, one must prepare for war. But the obverse is also true: In times of war, one must prepare for peace.

Vladimir Putin's war in Ukraine is already the worst conflict in Europe since 1945, and it continues to intensify. As winter descends, Russia has escalated its barbaric campaign to force a surrender by destroying Ukraine's power infrastructure. The country is responding with escalations of its own, striking targets deep inside Russia.

Even as we continue to help Ukraine, Americans must begin thinking about what kind of peace they want. This is not yet a question of maps. We don't know where the armies will stand when serious peace talks begin, and the military facts on the ground will drive haggling over territory. But boundaries aside, peacemaking is hard. As Polish friends struggling to rebuild their society after communism used to tell me, it is easier to turn

an aquarium into fish soup than to turn fish soup back into an aquarium.

The U.S. wants several things from the peace. First, the war should end quickly. The longer the war drags on, the more destructive it will be.

Second, the war should end in true peace. That is, the fighting shouldn't subside into a frozen conflict that could explode at any moment. We don't want continuing sanctions gumming up the world economy. We don't want half of Europe on a permanent war footing. We want this war to end in a treaty, not an armed truce.

Third, the war should end in a way that makes clear that Russia's aggression did not go unpunished. Future Russian leaders, as well as potential aggressors elsewhere, need to see that wars of attempted conquest are costly.

Fourth, the end of this war shouldn't set the stage for the next. The North Atlantic Treaty Organization's partial expansion was a mistake. If you put up "No Fishing" signs on one side of the lake, the implication is that fishing is OK on what's left. Georgia, Moldova, Ukraine and Belarus weren't brought into NATO, and Russia has invaded or subverted them all. This war needs to end with a clear security framework. NATO

membership for countries that want it would be a simple solution, but others may be possible.

Finally, America does not want the war to end with the dismemberment of the Russian Federation. In a worst-case scenario, the collapse of authority across Russia would invite chaos and war across the Caucasus. It would unleash a nightmare: nuclear

Americans should be thinking about an arrangement more durable than a truce.

weapons and materials for sale to the highest bidder. It would empower China. Even if we don't always like the way it governs itself, a stable Russia is hugely preferable to a zone of anarchy stretching from Ukraine to the Pacific and from the Arctic Ocean to the Black Sea.

Reaching any of these goals, much less all of them, won't be easy. Barring a complete collapse of the Russian state, Moscow is unlikely to disgorge all the land Ukraine wants to reclaim, pay all the reparations Ukraine wants, or allow the kinds of war-crime investigations and trials Ukraine and its sympathizers feel are justified.

But American and Western security and aid commitments can help make an inevitably imperfect peace treaty acceptable to the Ukrainians.

Preparing for peace does not mean appeasement. Making war painful and expensive for Russia can help persuade the Kremlin to change course. But Team Biden also needs to prepare for the next stage. Negotiating with Russia will be hard, but negotiating with our allies and Congress could be nearly as tough.

If the war ends with a weaker Russia and a stronger Ukraine, NATO will start to look less important to many Germans, and some in Berlin will focus more on building lucrative postwar business relationships with Russia rather than risk alienating the Kremlin by supporting tough peace terms. There are those in Eastern Europe who think the Russian Federation should be broken up. And there will be Americans in both parties who won't want the U.S. to commit to the aid and engagement required to build order so far away.

During World War II, President Franklin D. Roosevelt's administration spent a lot of time preparing for the post-war world. Team Biden must also think ahead if something more durable than a truce is to come out of the current conflict.

Republicans Can Curtail Spending Now

By Stephen Moore
And Matthew Dickerson

Republicans will take control of the House in January with grand promises to bring federal spending under control. There isn't a moment to lose—and Senate Republicans can act now to prevent spending growth. Under President Biden's policies, more than \$4.1 trillion of new spending has been approved—roughly the amount, in real terms, that was spent to win World War II. This spending and debt blowout was the ignition switch that generated 8% inflation this year.

In the wake of the election, Senate Republicans are negotiating another omnibus spending bill of almost \$2 trillion. It contains no program cuts. At the same time, House Republicans have decided they want to bring back earmarks for projects like Alaska's notorious "bridge to nowhere." This is setting the stage for

both a fiscal policy and political debacle.

Republicans should do something else instead. They will soon have the unilateral power to cut more than \$130 billion from the budget. To secure these savings, Senate Republicans need only refuse to waive 2010's Statutory Pay-as-You-Go-Act, or Paygo. Federal

Without 60 Senate votes to waive Paygo, \$130 billion will be cut automatically.

spending is now running roughly \$130 billion over legal expenditure caps. Under Paygo rules, if Congress doesn't find offsetting savings to bring spending below the limits by January, automatic cuts are triggered, including a 4% reduction in Medicare provider payments.

Congressional Republicans

could and should propose a slate of cuts in wasteful programs as an alternative to these automatic "sequester" cuts. Finding these savings wouldn't be a heavy lift. The cutbacks would amount to roughly 5% of the \$2.4 trillion in spending Mr. Biden has approved without a single Republican vote. Simply canceling the \$80 billion for 87,000 new Internal Revenue Service agents, curtailing some of the tens of billions of "green new deal" subsidy programs, and clawing back \$500 billion in unspent Covid money would do the trick. Alternatively, cutting 3 cents of every dollar from domestic nonentitlement programs would also comply with the budget law. Remember, many federal programs have nearly doubled in size since Covid.

If Democrats refuse such a financially sensible package of budget savings, responsibility for the small automatic cuts in entitlement programs will be theirs. The Democrats wrote

these budget rules in the Obama years as a trap for Republicans. Ensnaring them in their own budget contraption would constitute rough justice.

Here's the catch. In recent years the Paygo rules have been routinely suspended with virtually no objection from either party. Mr. Schumer needs 60 votes in the Senate to waive the budget rules. He's betting the store that Republicans will blink again. If 41 of the 50 Republicans in the current Senate refuse to suspend the rules, the bloated federal budget will have to shrink.

Senate Republicans have a clear-cut opportunity to curtail federal spending. If they again refuse to exercise that power, what makes anyone think they will do so next year or the year after?

Mr. Moore is a co-founder of the Committee to Unleash Prosperity and a senior fellow at the Heritage Foundation. Mr. Dickerson is a fellow in budget affairs at Heritage.

OPINION

REVIEW & OUTLOOK

All Biden's Climate Job Losers

President Biden sold the Inflation Reduction Act (IRA) as a giant climate jobs program, but then how does he explain what happened Friday at the Stellantis Jeep Cherokee plant in Belvidere, Illinois? Some 1,350 workers are losing their jobs so the auto maker can finance its government-mandated and subsidized electric-vehicle expansion.

Stellantis broke the news to workers on Friday that it will idle the Cherokee plant in February, citing "the increasing cost related to the electrification of the automotive market." Merry Christmas! The Jeep Cherokee has been a popular model, though the plant has cut shifts since 2019.

But Stellantis, which formed through the merger of France's PSA Group and Italian-American Fiat Chrysler, needs to come up with money to finance the more than \$35 billion that it plans to invest in EVs over the next few years. Government industrial policy doesn't give the company much of a choice.

Europe and several U.S. states have announced plans to ban the sale of new internal-combustion engine vehicles by 2035. Stellantis spent \$2.4 billion to buy regulatory credits from Tesla between 2019 and 2021 to comply with green mandates. The Biden fuel economy mandates could force it to spend more unless it ramps up EV production.

The Inflation Reduction Act's generous credits for battery production and EV buyers are modestly easing the costs of this government-forced transition. Many auto makers currently use profits from gas-powered SUVs and trucks to subsidize EVs that are losing money. They hope that sweetened government subsidies will eventually make EVs profitable, but in the meantime companies

need to choose where to make investments and where to cut back.

Liberals pretend that the transition to EVs won't come at a cost to workers or businesses. But taxpayers won't foot the entire bill, which could cost hundreds of billions of dollars industry-wide. Workers at Stellantis's Cherokee plant are the collateral damage of this government-forced reallocation of capital. We're waiting for Sens. Sherrod Brown and Bernie Sanders to plead for the workers here.

The United Auto Workers is denouncing Stellantis for laying off workers. "Not allocating new product to plants like Belvidere is unacceptable," UAW President Ray Curry said. What did he expect? The union backed stricter fuel economy mandates and the IRA subsidies, even though its own studies showed the shift to EVs could cost 35,000 jobs.

Technological change disrupts markets and leads to some job gains and losses. But the problem here is that government is overriding market forces and picking the winners and losers. Auto makers' enormous investments in EVs are largely being driven by political choices, not consumer choice. Politicians in Washington and state capitals, not business owners or executives, are calling the shots.

Labor dislocations caused by government climate subsidies and mandates will play out across the economy in the coming years. At least in the current tight labor market, most workers who lose their jobs can probably find new ones, though they may be lower-paying or require moving. But when government picks winners and losers, there are almost always more of the latter. The politicians don't tell you about those.

Green industrial policy is costing 1,350 jobs at Stellantis in Illinois.

Thousands who escaped to the U.S. are stuck in immigration limbo.

Afghan Allies Still Need America's Help

President Biden's chaotic withdrawal from Afghanistan in 2021 ended the free choice of countless Afghans, and thousands who fled to the U.S. are now at risk of losing even more. A fix is on Congress's agenda, but time is running out.

As the Taliban regime retook the country, more than 79,000 Afghans were evacuated to the U.S. They have already undergone vetting, and the majority were granted a temporary immigration status known as humanitarian parole, which offers no path to permanent residency. It also expires after two years.

That impending deadline weighs on Mohammad Khisraw Noori, 36, who worked for a time as an interpreter for the U.S. Embassy in Afghanistan. Mr. Noori fled to the U.S. with his wife, Waghma, daughter Adeeba, now 6, and son Ebadul Rahman, now 4. They're in California.

"Sometimes I feel like I'm dreaming: How is it possible when I wake up that I'm not worried about something bad?" he says. "If you ask my girl, she'll say, 'I'm from America,' not Afghanistan. She'll say, 'I'm so happy here, there's no shooting.'" Yet Mr. Noori can't reassure Adeeba that they can stay.

When humanitarian parole expires, these Afghans can't legally stay in the U.S., and the risk of deportation looms. They could seek renewal of their parole or temporary protected status, but neither promises long-term stability. They could ask for asylum, but the dysfunctional U.S. immigration system already faces lengthy backlogs. Tens of thousands of Afghan applicants would exacerbate the problem, and it might be years before they know their fates.

"A lot of folks are kind of in limbo," says Matt

Watters, a Green Beret who served in Afghanistan and is a friend of Mr. Noori. "It's hard for them to invest in certifications that are U.S.-specific, or go to college, or buy a home or a car if they don't know if they can stay."

The solution is a bill called the Afghan Adjustment Act, which would provide a path to a green card for those currently on humanitarian parole. The legislation would put these Afghans through another round of vetting, looking for links to drug trafficking or terrorism. Anyone who committed a crime after arriving in the U.S. would be disqualified.

The U.S. already offers a special immigrant visa that gives permanent residence to Afghans who worked closely with the U.S. government and military. The Afghan Adjustment Act would create a similar pathway for those who fought the Taliban by serving Afghanistan's Army Special Operations Command, Air Force, Special Mission Wing or Female Tactical Teams. Their spouses and children would be eligible as well.

Not all Afghans who supported the American mission managed to escape. The U.S. has no embassy in the country today, but the bill would require the State Department to establish an office that could review Afghans' applications and issue visas, and an interagency task force would work to alleviate constraints.

The Taliban takeover was a particular tragedy for Afghans who supported the U.S. mission, fought for the rights of women, or sought to build a civil society and a free political system. The U.S. has a moral obligation to do what it can to mitigate the harm of Mr. Biden's catastrophic withdrawal, and passing the Afghan Adjustment Act would be a good start.

For a preview of what's likely to play out, Illinois can look at Cook County, home to Chicago, which reduced the use of bail in 2017. According to Wirepoints, 15,000 defendants freed before trial through the middle of 2022 were charged with new offenses, including murder and attempted murder. Last year Cook County's Medical Examiner recorded 1,002 gun-related homicides, up from 881 in 2020. In the first 11 months of this year, Chicago had 3,258 people shot, including 208 shootings in November, reports WTTW.

National groups like the NAACP claim pretrial detention is harder on poor people who can't afford bail, and that it disproportionately harms African-American. But releasing defendants en masse, especially those with a potential for violence, puts most at risk the communities with higher crime rates. Some 80% of Cook County's murder victims in 2020 were black.

Gov. J.B. Pritzker says ending bail is about "addressing the problem of a single mother who shoplifted diapers for her baby," and who shouldn't be "put in jail and kept there for six months because she doesn't have a couple of hundred dollars." That isn't what the bail law is about. But since he mentioned it, Cook County state's attorney Kim Foxx, another "progressive prosecutor," raised her office's felony threshold for retail theft to \$1,000 in 2016, so the diaper mom is safe.

Mr. Pritzker may assume that, with re-election behind him, he can get away with using citizens as human experiments in criminal-justice reform. Voters who see rising mayhem in the streets will know whom to blame.

PUBLISHER'S LETTER

A Report to Our Readers

Dear Reader:

We're pleased to announce Emma Tucker has been named the next editor in chief of The Wall Street Journal and Dow Jones Newswires. She will succeed Matt Murray, who will be taking on a new senior role at News Corp reporting to Chief Executive Robert Thomson.

Mr. Murray has had an impressive and distinguished career—almost 30 years of which has been spent at The Wall Street Journal. His contributions to it have been profound. Under Mr. Murray's leadership, the newsroom has produced a prodigious catalog of groundbreaking journalism. And the Journal has reached more readers than ever before—nearly doubling subscriptions, while embracing new ways of distributing award-winning journalism in new formats to new audiences.

A change in leadership presents a moment to reflect on the institution itself. The Wall Street Journal is an indispensable source of information for the world's decision makers—in business, finance and in life. Ms. Tucker, an experienced business journalist and editor, will take the helm at a time of unprecedented volatility in the world on virtually every front—a time for the Journal to continue to double down on

its core and on its unique role in society: delivering in-depth, insightful coverage of the business world and beyond. Ms. Tucker's widely informed world view and demonstrated ability to expand access to the news through innovative digital delivery will be instrumental in broadening the Journal's reach in the U.S. and globally.

An energetic and experienced leader with a global perspective, Ms. Tucker has led The Sunday Times newsroom through the Covid-19 crisis, at the same time winning awards for its coverage scrutinizing the government's pandemic response. Her experience at The Sunday Times, The Times of London and the Financial Times, which included work in London, Brussels and Berlin, combined with her success in achieving significant digital growth in readership will bring continuity and a fresh perspective to the Journal's next chapter.

Our commitment to our readers is steadfast. As we strive to accelerate our digital ambitions and global scale, we will continue to provide reliable journalism to help you make decisions in the increasingly complex world.

ALMAR LATOUR
Publisher

LETTERS TO THE EDITOR

Constitution Isn't Ambiguous on 'Legislature'

The U.S. Constitution provides that the "Manner of holding Elections for Senators and Representatives shall be prescribed in each State by the Legislature thereof" and that presidential electors shall be appointed in each state "in such manner as the Legislature thereof may direct."

Prof. Steven Calabresi makes a fine argument for his position that the word "Legislature" should be interpreted to mean the entire structure of state government, including the state courts and state constitution ("Who

Defines A State's 'Legislature'?" op-ed, Dec. 6) He fails to mention, however, a basic rule of construction of any writing—a contract, a statute or a constitution. Interpretation of a word or clause's meaning takes place only when the word or clause itself is ambiguous. It takes a very strained reading of the Constitution to make the word "Legislature" ambiguous.

BRIAN R. MERRICK
West Barnstable, Mass.
Mr. Merrick was a Massachusetts District Court judge.

The New Attitude Toward Work Isn't Progress

Regarding your editorial "Where Did Young Male Workers Go?" (Dec. 3): Early one morning a few weeks ago, I was in line at a self-checkout. Only one machine was operating, and the long row of registers was unattended. As the line grew, so too did the complaints about the shortage of workers.

A woman in line mentioned St. Paul's understanding of the relationship between eating and working. A young man bagging his purchases turned around and said with solemn authority, "Work is a choice." The passage from 2 Thessalonians 3:10 reads: "If any man will not work, neither let him eat."

My grandfather returned from the slaughter of trench warfare to "go down into the mines" of Eastern Kentucky. My father served in the Navy

and Naval Reserves from 1942-52. He would work "on the line" at Ford's Louisville assembly plant. Many years ago, after I was promoted to associate editor at a publishing house, a colleague congratulated me and credited my work ethic. Later in the day, as I sat in my office, I admitted to myself that it wasn't mine. I inherited it.

I don't know the patrimony of the young man; perhaps he is simply a well-catechized activist. But I hope that, like a character in Woody Allen's "Annie Hall" (1977), he will eventually realize that he doesn't want to be "one of those guys with saliva dribbling out of his mouth who wanders into a cafeteria with a shopping bag screaming about socialism."

GRAHAM COMBS
Mishawaka, Ind.

An Inflation Target of 4% Would Be Too High

Jon Sindreu's suggestion that inflation should be stabilized at 4% rather than 2% is a terrible idea ("Inflation Doesn't Have to Be 2%," Heard on the Street, Dec. 5). At 4%, pensioners whose pensions aren't adjusted annually for inflation will find the purchasing power of their pensions decline by a third in 10 years and by more than half in 20 years. Others whose incomes are semifixed also will suffer a significant loss of purchasing power.

Even people whose incomes are automatically adjusted for inflation at the end of the year will lose purchasing power during the year. This loss is permanent and will happen year after year.

The higher the inflation rate, the more unfair and insidious the tax.
DAN THORNTON
Des Peres, Mo.
Mr. Thornton was vice president of the Federal Reserve Bank of St. Louis.

Such a materially higher inflation target would eliminate whatever

If They Leave Me No Choice

Regarding William Galston's column "The Urgency of Leaving Trump Behind" (Politics & Ideas, Dec. 7): I am no fan of former President Donald Trump, and I hope he isn't the next GOP presidential nominee. But if Mr. Galston is suggesting that Rep. David Joyce and others like me should refuse to support Mr. Trump even if the Democrats' presidential nominee is an avowed socialist or supporter of disastrous socialistic policies, it might be better to urgently stop paying attention to the suggestions in his writings.

JIM GILBERT
Atlanta

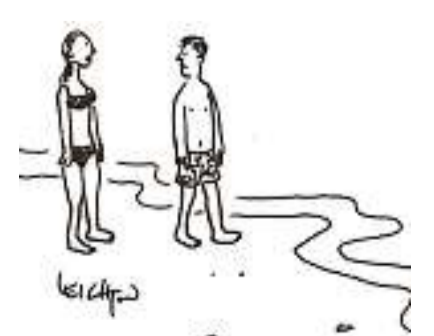
Leave the Loans to the Banks

Regarding your editorial "Biden's Loan Forgiveness Reckoning" (Dec. 2): In 2010 the Obama administration took over the student-loan program, promising it would make money for the taxpayer by eliminating the banks as middlemen. That takeover resulted in hundreds of billions of dollars in bad loans. Then President Biden turned the program into a political weapon by promising before the midterms to forgive \$400 billion in student debt. The government takeover has been a financial disaster. It's time to put the program back into competent hands—the bank-middlemen.

SAL COVIELLO
Surprise, Ariz.

Pepper ... And Salt

THE WALL STREET JOURNAL



"When I said I liked taking long walks on the beach, I meant by myself."

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

OPINION

The Exaggeration of Long Covid

By Marty Makary

Long Covid is real. I have reliable patients who describe lingering symptoms after Covid infection. But public-health officials have massively exaggerated long Covid to scare low-risk Americans as our government gives more than \$1 billion to a long Covid medical-industrial complex.

The Centers for Disease Control and Prevention claims that 20% of Covid infections can result in long Covid. But a U.K. study found that only 3% of Covid patients had residual symptoms lasting 12 weeks. What explains the disparity? It's often normal to experience mild fatigue or weakness for weeks after being sick and inactive and not eating well. Calling these cases long Covid is the medicalization of ordinary life.

Lingering symptoms after a respiratory infection are common. Most cases are too mild to worry about.

Two studies published this month put long Covid in perspective. The first, in the *Journal of the American Medical Association*, looked at a spectrum of wellness indicators in 1,000 people who recovered from symptomatic Covid or another respiratory infection. It found that 40% of patients who had tested positive for Covid "reported persistently poor physical, mental, or social well-being at 3-month follow-up." For Covid-negative patients who had other upper-respiratory infections,

the figure was 54%. Covid patients did better than non-Covid patients. While there are certainly unique hallmark conditions of Covid, such as loss of smell, any respiratory infection—flu, RSV, other cold viruses—can knock you down for a while.

The second study, in *Lancet Regional Health*, looked for long Covid in 5,086 children 11 to 17 and found that symptoms present during infection rapidly declined over time. The researchers found that among children who tested positive and negative for Covid "prevalence patterns of poor well-being, fatigue and Long COVID"—defined by its symptoms without the need for a past diagnosis of the disease—"were broadly similar." (The study also found that loneliness in children increased steadily in the year after Covid illness.)

The National Institutes for Health has been intensely focused on studying long Covid, spending nearly \$1.2 billion on the condition. To date, the return on investment has been zero for the people suffering with it. But it's been terrific for MRI centers, lab testing companies and hospitals that set up long Covid clinics. I've talked to the staff at some of these clinics and it's unclear what they are actually offering to people beyond a myriad of tests.

An *Annals of Internal Medicine* study ran an exhaustive battery of tests on 48 people with long Covid and 50 people without. The researchers found no biochemical or physiologic abnormalities in people



with long Covid. "Levels of plasma inflammatory markers, levels of biomarkers for cardiac and central nervous system injury, and presence of select autoantibodies were similar between groups," they concluded. The only medical factor that predicted long Covid was pre-existing anxiety, associated with a 2.8 times increased risk of developing long Covid.

The NIH hasn't invested nearly as much in studying masks, natural immunity, vaccine complications, boosters in children or even vitamin D, which was found last month to lower Covid mortality—a study that tragically came two years too late. The most stunning absence of Covid research is in children. After imposing tremendous restrictions on tens

of millions of healthy children for nearly two years, no government study or public-health official can tell us how many otherwise healthy children have died of Covid, or even if any have. Dedicating research dollars to magnify Covid complications while ignoring other pressing Covid research questions continues the politicization of the disease.

Last month Food and Drug Administration Commissioner Robert Califf tweeted that "preliminary epidemiological findings point to the distinct possibility of the bivalent vaccines and antivirals reducing risk of long Covid." If Pfizer tweeted that, it could be fined for making a claim beyond an FDA-authorized indication. Mr. Califf's Twitter thread included no data.

The bivalent vaccine was authorized by the FDA without a vote of its scientific expert advisory committee.

White House Covid coordinator Ashish Jha declared last month that the science supporting the bivalent vaccine is "crystal clear." In fact, it was authorized based on data from eight mice. To date, there has been no randomized trial data on the bivalent vaccine. It's authorization was reamed through by regulators over the objections of experts like Paul Offit, who argued that it should be evaluated as a new medication.

The NIH's fear-mongering around long Covid has also been used to argue for keeping Covid restrictions in place. In November, the Biden administration issued a report on long Covid stating that mask mandates and vaccination "protect people from infection or reinfection and possible Long COVID," despite no scientific evidence to support the claim.

Given the broad reach of population immunity to Covid today and the less severe nature of the illness, long Covid is less common and less severe than it was in 2020 or 2021. In my experience treating thousands of patients over two decades, people are forgiving if you are honest with them. If public-health officials want to regain the public trust, they should show more humility when it comes to Covid, including long Covid.

Dr. Makary is a professor at the Johns Hopkins University School of Medicine and author of "The Price We Pay."

Twitter Files Revelations Are Instructive but Not Surprising



FREE EXPRESSION
By Gerard Baker

The Twitter Files have exposed how a powerful class of like-minded people control and limit the flow of information to advantage their monolithically progressive agenda.

The Twitter Files tell us nothing new. There's no shocking revelation in there about government censorship or covert manipulation by political campaigns. They merely bring to the surface the internal deliberations of a company dealing with complex issues in ways consistent with its values.

If you think the first paragraph is true, you must be a tinfoil-hat wearing member of the vast right-wing conspiracy destroying our democracy. If you think the second is true, you're a credulous apologist for the elite left-wing ideologues destroying our democracy.

If you think both are true, congratulations. You're a reader of uncommon genius and perspicacity. Unlike much of the media, which

have chosen to ignore or deride it, we should welcome Elon Musk's exercise in transparency. It is a fitting statement on the condition of modern journalism that many journalists profess disdain when an influential company opens up its internal documents on controversial topics for review and publication by journalists.

That said, I have a quibble: It would have been better to be fully transparent and publish as many of the original documents as possible with context, rather than have the disclosed information intermediated in ways that have enabled critics to cry foul. One example—citing the way Twitter "handled" explicit pictures of Hunter Biden as evidence of political bias rather than as enforcement of reasonable rules about privacy and decency undercuts the larger argument and enables detractors to dismiss the exercise as itself politically motivated.

I'm old-fashioned enough to believe that transparency is valuable for understanding the way an influential institution operates. But it is also true that there is little in these revelations we didn't already know or surmise, though it does seem that the company's previous denials

that it engaged in shadow banning—quietly restraining the dissemination of certain users' tweets—were at best a case of being economical with the truth.

There is, however, something instructive in the documents: They provide a valuable picture of the minds of those who make decisions about what gets amplified and what

They tell us what we already knew but bring into focus the mindset of the professional left.

gets suppressed in our public discourse. While there were some dissenters at the company, the key decisions almost all went the way you would expect.

What we get is an unsettling insight into the approach to knowledge by which our cultural elites operate—what we might call an epistemological asymmetry between progressive ideologues and the rest of us.

It's not that executives, editors, reporters and algorithm-writers at

big media and tech companies consciously promote their ideological nostrums, mindful of and striving to overcome competing ideas. It's much worse. If you're an executive at Twitter with the Orwellian title of "head of trust and safety" or a "disinformation" and "extremism" reporter at NBC News, or an executive at the *New York Times* charged with enforcing intellectual homogeneity, you're not simply promoting a view of the world that you espouse.

You are doing something much more important, which compels compliance and tolerates no alternatives: promulgating the One True Faith, a set of orthodoxies from which there is no legitimate dissent.

Here is the asymmetry: Most conservatives, or intellectually curious people, don't think like this. They don't think that someone with differing opinions on say, immigration restrictions, the right level of taxation, or the case for affirmative action is voicing a provably false and intrinsically illegitimate view that amounts to misinformation. They think their opponents' beliefs are wrong and reflect flawed analysis or erroneous evidence. But they don't think

there is only one acceptable belief and that dissent from it is analytically impossible, intellectually dishonest and morally contemptible.

But this is the left's mindset. It is why they don't need instructions from government officials or public censors to determine access to information. They are themselves the controlling authority. They act in ways that are reminiscent of the pre-Enlightenment certitudes of the clerisy. They have a moral and normative view of knowledge that seeks to disfavor, suppress and ultimately extirpate heresy.

Twitter occupies an absurdly inflated amount of space in the minds of people in the media, myself included. While the decisions it makes about who or what to promote or suppress obsess us, its actions impinge little on the deliberations of most Americans. It is a private company and, in accordance with the principles of a free market, should be free to do what it wishes.

These revelations matter, however, not because of anything they tell us about Twitter. They matter because they show the way an entire generation of people who occupy positions of influence think about knowledge, truth and opinion.

Why Iran's Protests Could Topple the Regime

By Reuel Marc Gerecht and Ray Takeyh

Reports of the demise of Iran's morality police were greatly exaggerated. There's no evidence that the Interior Ministry has dissolved this force. It may have even been temporarily repurposed into riot control. This disappointing deflation of last week's reporting reinforces the Central Intelligence Agency's view that the current wave of unrest in Iran poses no threat to the regime.

But that view—colored by the disappointing results of the Arab Spring and of Western military interventions in Afghanistan and Iraq—is too pessimistic. The Islamic Republic's rulers are uncertain, fearful and increasingly incoherent in their public statements. They surely know that these demonstrations aim to foment revolution, not reform. And they

have reason to worry that the demonstrators will be successful.

Iranians, unlike anyone else in the Middle East, have lived under two very different dictatorships—the Westernizing Pahlavi shahs from 1925-79 and an Islamic theocracy since 1979—and they've rejected both. Iran is the only Middle Eastern state to have had two revolutions in the 20th century. Belief in the value of a constitution and representative government is more than an imported, debased Western idea to Iranians. Iran embraced a written code of laws as a means of checking foreign influence in the Constitutional Revolution of 1905-11. Iranians have a 120-year history of using street demonstrations to check abusive power. Unlike past protests in other Middle Eastern countries, today's popular rebellion in Iran could usher in a lasting pluralistic order.

In no Arab state—not even Egypt,

where the intellectual and political classes were profoundly Westernized under British occupation—have we seen the kind of political ferment and critiques of authoritarianism, both secular and religious, that we have seen in Iran since the Constitutional Revolution. The rule of relentlessly Westernizing monarchs turned religion into a means of political protest and a vehicle for establishing representative government. Forty years of clerical rule has weakened Iranians' religiosity but not their yearning for self-rule. Iran has become a country of empty mosques and a distinctly secular national pride.

As Americans often argue, separation of church and state can be a key to democratic success. Thanks to the totalitarian ambitions of Iran's theocracy, no Middle Eastern society is less tempted by faith as a political creed than Iran. And while theocrats have thwarted Iranians' yearning for representative government, they have made concessions to popular sovereignty that have kept a culture of political self-expression alive and well.

The Islamic Republic has been bequeathed by this compromise. Elections, though never free, were once safety valves for popular dissatisfaction. A diverse collection of politicians have become president, ranging from the clerical reformer Mohammad Khatami to the populist firebrand Mahmoud Ahmadinejad. The Majles, Iran's parliament, could be feisty. A dynamic press could criticize the government. Magazines and books served up serious discussions about man, God and the U.S.

This culture of political expression was fed by the clerical regime's massive expansion of the country's

educational infrastructure—an aspect of the mullahs' ardent desire to modernize after the fall of the shahs. They wanted a nation that was self-sufficient and self-reliant, and that required an educated public. Today, Iran has nearly six million university students, almost 60% of whom are women. In a reversal of the 1970s, higher education has become an engine of dissent against the Islamic revolution. Mismanagement and corruption in state-owned enterprises have done far more than U.S. sanctions to limit job creation.

The country has a rich history of political dissent that has brought it to the edge of revolution.

Iran is a land of highly educated poor people whose thirst for democracy has been whetted but never quenched. And Supreme Leader Ali Khamenei's decision last year to asphyxiate this managed democracy by stage-managing the election of his ruthless protégé Ebrahim Raisi to the presidency triggered the existential crisis that has demolished the regime's legitimacy.

After more than a century of societal involvement in politics, Iranians are more than aware of the serious nature of self-government. They are unlikely to fall victim again to the allure of a secular strongman or militant mullah, having seen the damage such leaders cause. The Arabs who revolted against tyranny a decade ago didn't have the advantage of decades of trial and error. Self-criticism

isn't a Middle Eastern forte, but Iranians have come far in placing the blame for their own predicament on themselves. Democracy can't ignite, or last, if the citizenry doesn't assume responsibility for its own destiny. Iran seems ready.

Most telling, Iranian women, who have tenaciously pressed for reform since Mr. Khatami's election to the presidency in 1997, are no longer fazed by accusations of being *gharb-zadeh*—Western-struck. They appear eager to make Western ideas about natural rights, especially individual liberty, their own. This is an essential step toward making democracy work in non-Western lands.

Iran is a diverse country. Its Arabs, Kurds and Baluch have a history of insurrection against Persian authority. Ethnic diversity has caused strife in the past. But the nationwide demonstrations that started after the death of Mahsa Amini, a young Kurdish woman, have been remarkably unifying. Iranians today want the extinction of the Islamist regime.

Many Americans and Europeans were deeply uncomfortable with the empowerment of religious parties in Egypt and Tunisia during the Arab Spring. A post-Islamic Iran is likely to have a far bigger Western fan club than did the elected Islamists of North Africa. Good thing: As Samuel Huntington noted, foreign—usually American—support to nascent democracies increases the chance of their survival.

Mr. Gerecht, a former Iranian-targets officer in the Central Intelligence Agency, is a senior fellow at the Foundation for Defense of Democracies. Mr. Takeyh is a senior fellow at the Council on Foreign Relations.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch

Executive Chairman, News Corp

Matt Murray

Editor in Chief

Karen Miller Pensiero, Managing Editor

Jason Anders, Deputy Editor in Chief

Neal Lipschutz, Deputy Editor in Chief

Thorold Barker, Europe; Elena Cherney, News;

Andrew Dowell, Asia; Brent Jones, Culture,

Training & Outreach; Alex Martin, Print &

Writing; Michael W. Miller, Features & Weekend;

Emma Moody, Standards; Shazna Nessa, Visuals;

Matthew Rose, Enterprise; Michael Siconolfi,

Investigations; Amanda Wills, Video

Paul A. Gigot

Editor of the Editorial Page

Gerard Baker, Editor at Large

Robert Thomson

Chief Executive Officer, News Corp

Almar Latour

Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:

Daniel Bernard, Chief Experience Officer;

Mae M. Cheng, SVP, Barron's Group; David Cho,

Barron's Editor in Chief; Jason P. Conti, General

Counsel, Chief Compliance Officer; Dianne DeSevo,

Chief People Officer; Frank Filippo, EVP, Business

Information & Services, Operations; Robert Hayes,

Chief Business Officer, New Ventures;

Elizabeth O'Melia, Chief Financial Officer;

Josh Stinchcomb, EVP & Chief Revenue Officer,

WSJ/Barron's Group; Jennifer Thurman, Chief

Communications Officer; Sherry Weiss, Chief

Marketing Officer

EDITORIAL AND CORPORATE HEADQUARTERS:

1211 Avenue of the Americas, New York, N.Y., 10036

Telephone 1-800-DOWJONES



50TH ANNIVERSARY APOLLO XVII

To celebrate mankind's most recent steps on the moon, OMEGA salutes a legendary mission and the watch worn by Commander Gene Cernan and his crew. When Apollo XVII reached the moon on December 11th, 1972, it marked the 6th time in history that the OMEGA Speedmaster Moonwatch served astronauts on the lunar surface.

Ω
OMEGA

#Moonwatch

BUSINESS & FINANCE

© 2022 Dow Jones & Company. All Rights Reserved.

THE WALL STREET JOURNAL.

Tuesday, December 13, 2022 | B1

S&P 3990.56 ▲ 1.43% S&P FIN ▲ 1.26% S&P IT ▲ 2.17% DJ TRANS ▲ 3.03% WSJ \$IDX ▲ 0.23% 2-YR. TREAS. yield 4.401% NIKKEI (Midday) 27946.09 ▲ 0.37% See more at WSJ.com/Markets

Stocks Rally Before Inflation Data

Dow jumps 529 points ahead of consumer-price news, Fed's latest policy decision

By WILL HORNER AND BEN EISEN

Stocks jumped Monday, with investors anticipating softer inflation and a smaller interest-rate increase from the Federal Reserve this week. The S&P 500 gained 56.18

points, or 1.4%, to 3990.56 and the Dow Jones Industrial Average added 528.58 points, or 1.6%, to 34005.04. The Nasdaq Composite rose 139.12 points, or 1.3%, to 11143.74. The indexes edged higher at the open and then gained steam through Monday's session and rallied into the close.

Stronger-than-expected producer-price data prompted jitters about the inflation outlook last week, dragging all three indexes lower. U.S. consumer-price index

data is due Tuesday ahead of several central-bank meetings. The Fed is set to deliver its policy decision on rates as well as its latest economic projections Wednesday. Most investors expect the bank will raise its benchmark interest rate by half a percentage point, less than its three-quarter-point hike at its most recent meetings.

The European Central Bank and Bank of England are due to meet and decide on interest rates Thursday.

Hopes that the Fed is winning the fight against inflation helped indexes to rally for most of November, sending the broad S&P 500 to a three-month high. Data have shown, for the most part, signs that inflation is easing, raising expectations that Fed officials will begin to slow the pace of their interest-rate rises.

"We think we've seen peak Fed and peak inflation," said Jason Ware, partner and chief investment officer for Albion Financial Group. "We still have

tightening to come, but most of it is behind us. We are much closer to the end than the beginning."

The yield on the 10-year U.S. Treasury note rose to 3.611% from 3.567% on Friday. Yields on U.S. government bonds have fallen in recent weeks from the 14-year high they hit in October.

Slowing inflation and hopes for gentler Fed moves on interest rates, along with lingering fears about a recession, *Please turn to page B11*

Twitter Disbands Trust, Safety Council

By PATIENCE HAGGIN

Twitter Inc. disbanded its Trust and Safety Council on Monday night, according to an email viewed by The Wall Street Journal.

The council, composed of civil-society groups, advised Twitter on how to enforce its policies on content such as hate speech before the social-media site was purchased by billionaire Elon Musk.

"As Twitter moves into a new phase, we are reevaluating how best to bring external insights into our product and policy development work. As part of this process, we have decided that the Trust and Safety Council is not the best structure to do this," read the email, which was signed "Twitter."

Twitter didn't respond to a request for comment.

The move comes the same day Twitter moved to boost its revenue not linked to digital advertising by reintroducing a paid-for subscription service that would show fewer ads and offer other features. *Please turn to page B4*

Americans Go on Shopping Binge in Europe

By NICK KOSTOV

PARIS—Americans are descending on luxury boutiques across Europe for holiday shopping, taking advantage of the strong dollar and helping brands such as Gucci and Louis Vuitton make up for the loss of big-spending Chinese tourists.

Spending by American tourists in the region rose more than 40% during the week of Black Friday compared with the same period in 2019, before the pandemic, according to value-added-tax refund data from payments company Planet. The average transaction amount by U.S. tourists in European stores this year—at €1,244, equivalent to \$1,313, according to Planet—is also significantly higher than €500 in 2019.

Europe has become a land of tantalizing deals for many Americans. The dollar has been close to parity with the euro, its highest level in two decades. And because many luxury goods are manufactured in Europe, they are historically cheaper in places like Paris and Milan than in the U.S. Analysts at Bank of America wrote in a report last

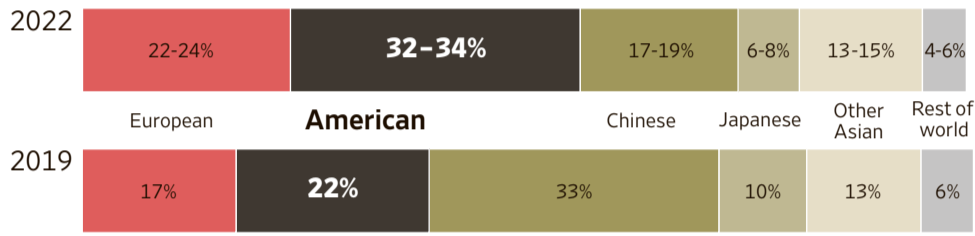
month that U.S. shoppers were now paying an average of 38% more at home for luxury clothes and accessories than in Europe. Historically, the difference has been around 20%.

In Paris's shopping districts, Americans abound. Edward Cameron, a lawyer from McLean, Va., was shopping with his wife and children along the Rue du Faubourg Saint Honoré on Thanksgiving Day. He said he had purchased a watch the day before, and while the price seemed the same as in the U.S., he would get a refund on the sales tax.

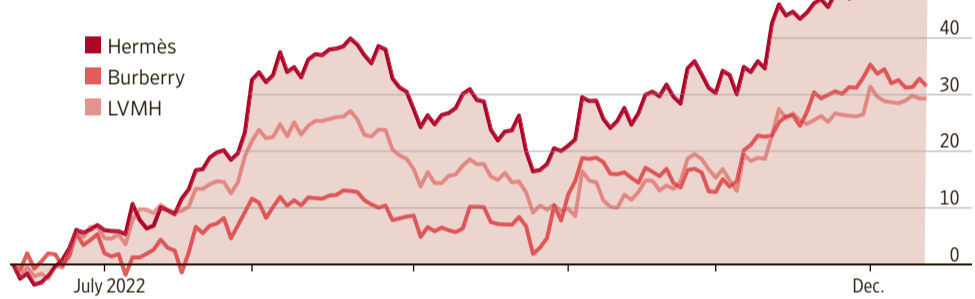
"All of the women that we're here with are in the store right now," he said, gesturing toward a boutique. "That's all they're doing is buying luxury goods."

The surge in American shoppers is helping European luxury companies at a time when consumer confidence on the continent is low, battered by high inflation. It is also helping to plug the gap from the absence of Chinese tourists, who are still unable to visit because of travel restrictions. Last week, China accelerated plans to dismantle its *Please turn to page B2*

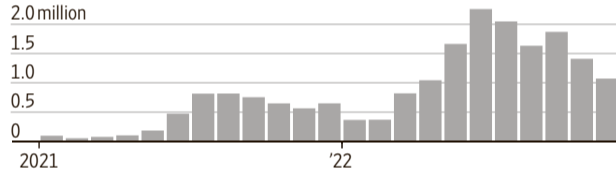
Share of the personal luxury goods market



Share performance over the past six months



U.S. citizen nonstop air passenger traffic to Europe



WSJ Dollar Index



Note: Share of market percentages may not equal 100% due to rounding. Sources: Bain & Co. (market); FactSet (performance); International Trade Administration (travel); Dow Jones Market Data (dollar index)

Slow Growth Unseats Inflation as Market Worry

By MATT GROSSMAN

Stocks and bonds have headed in opposite directions to start December, a sign that investors' worries about slowing growth have started to eclipse their fears of inflation.

Equity traders have taken the darker view, deepening this year's double-digit losses for the S&P 500 and falling last week to snap a two-week winning streak for the major stock indexes.

Meanwhile, a rally this month has erased some of this year's fixed-income rout in a bet that bond prices have al-

ready fallen far enough to reflect the full brunt of expected Federal Reserve interest-rate increases.

The trades behind these trends suggest that recession is supplanting inflation as investors' top concern heading into 2023. The labor market remains buoyant and last week's producer-price data came in hotter than expected, suggesting economic demand has stayed strong. But oil prices have fallen and shares of businesses that suffer when the economy slows have taken some of the biggest hits this month.

Energy and financial stocks have been two of the worst-performing segments of the S&P 500 in December, falling by 7.1% and 3.8%, respectively, and lagging behind the broader index's 2.2% decline. Natural-gas producer EQT Corp. is down 13% in December, and refiner Valero Energy Corp. has shed 9.7%.

Banks from giants such as Wells Fargo & Co. to regional institutions such as M&T Bank Corp. are each down 11% this month.

Both sectors could be especially hard hit by a recession that cuts demand for fuel and

threatens profit at financial companies.

Airlines and logistics firms, also primed to struggle if a slowdown eats into demand for travel and freight, have fallen, too. The Dow Jones Transportation Average is down 3.2% in December, trailing the 1.7% slide for the Dow Jones Industrial Average.

Cruise operator Carnival Corp. has dropped 9.3% in December, and Host Hotels & Resorts Inc. is down 4.4%.

Meanwhile, government bonds have rallied, with the yield on the benchmark 10-year Treasury settling at 3.611%

Monday, according to Tradeweb, down from a recent high of 4.231% in October. Yields fall when bond prices rise.

Many investors are betting that the economy will avoid a severe recession.

But together, the market's December moves are a sign that the possibility of a downturn—not merely expectations of slower inflation—is fueling the bond market's recent rally, said Michael Antonelli, a managing director at Baird.

"The better part of this year was all about inflation worries, *Please turn to page B10*

PG&E Squeeze Threatens Fire Plan

By KATHERINE BLUNT

PG&E Corp.'s ambitious plan to reduce wildfire risk will cost tens of billions of dollars. It isn't exactly clear how it is going to pay for it.

The utility company, which provides electricity and natural gas to about 16 million people in Northern California, is limited in its ability to raise debt and equity following a complex bankruptcy restructuring that required it to issue record amounts of each. Now, it is seeking alternative ways to fund its capital-spending plan, which proposes roughly \$50 billion in investments between 2022 and 2026.

The multibillion-dollar plan *Please turn to page B2*

Tucker Is Named WSJ Editor

By JEFFREY A. TRACHTENBERG AND ALEXANDRA BRUELL

News Corp. named veteran U.K. journalist Emma Tucker as the next editor in chief of The Wall Street Journal, succeeding Matt Murray, who oversaw significant digital growth and guided the news organization through the Covid-19 pandemic.

Ms. Tucker, 56 years old, will assume her new position on Feb. 1, the company said Monday. Mr. Murray, also 56, will work with Ms. Tucker dur-

ing a transition period until March 1. He will then continue in a senior position at News Corp., where he will work on new projects and report to Chief Executive Robert Thomson.

"As a long-time admirer and reader of the brilliant journalism of The Wall Street Journal, it is my honor to edit this great newspaper," Ms. Tucker said in a statement. "I can't wait to work with the entire team at the Journal and my new colleagues at Dow Jones, who have done so much

in recent years to publish journalism that matters and set new records along the way."

Ms. Tucker, who will be the first woman to lead the Journal, has served as editor of the Sunday Times, another News Corp. publication, since January 2020. Among her achievements was the outlet's pandemic coverage, including a widely read article examining the British government's missteps in preventing the spread of the virus.

As editor, Ms. Tucker has *Please turn to page B2*

INSIDE



BUSINESS NEWS
Ticketmaster apologizes to fans barred from a concert they paid to attend. **B2**



DEALS
Grill maker Weber agrees to a \$3.7 billion buyout by a private-equity firm. **B3**



STREETWISE
A Blackstone fund highlights the looming risks in some private investments. **B10**



The industry leader in artificial intelligence software.

RANK	COMPANY	2021 AI REVENUE
No. 1	Palantir	\$1,392M
No. 2	Microsoft	\$1,252M
No. 3	IBM	\$776M
No. 4	AWS	\$688M
No. 5	Google	\$536M

Source: IDC, Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022)

PALANTIR TECHNOLOGIES INC. — PALANTIR.COM

The information presented in the table above has been compiled and analyzed by IDC using their methodology described in the Worldwide Artificial Intelligence Platforms Software Market Shares, 2021: AI Is Being Used In More Unique Ways Than Ever (2022) report contained on IDC's website (www.idc.com). We have not independently verified, and make no representations as to, the accuracy or completeness of the data contained in this report.

INDEX TO BUSINESSES

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

Table with 3 columns: A, B, C, D, E, F, G, H, I, K, L, M, N-P, S, T, U, V, W, Z. Lists companies like Amgen, Horizon Therapeutics, PG&E, Schlumberger, Intel, etc.

INDEX TO PEOPLE

Table with 3 columns: A, B, C, D, E, F, G, R, S, T, W. Lists people like Foster, Chris; Althoff, Judson; Ghosn, Carlos; etc.

PG&E Fire Plan Faces Squeeze

Continued from page B1

is key to substantially reducing the risk of PG&E's power lines sparking wildfires. The company's lines have ignited more than 20 major fires in recent years, and it pleaded guilty to 84 counts of involuntary manslaughter for its role in sparking the 2018 Camp Fire that destroyed the town of Paradise, Calif. Regulations require it to bolster its system.

So far, the company has come up with several ways to cash in on the value of its assets. It sold its San Francisco headquarters for \$800 million and relocated to Oakland. It struck a \$973 million deal to sell its license agreements with wireless providers that for years paid the company for the rights to install antennas on power-line structures. Most recently, it created a subsidiary to house part of its power-generation fleet and says it plans to sell a minority stake in that company, pending regulatory approval.

The company's options are limited without substantially increasing customer rates, which are among the highest in the nation. It filed for chapter 11 bankruptcy protection in 2019 to sort through an estimated \$30 billion in liability costs stemming from a series of fires that killed more than 100 people and destroyed thousands of homes and businesses. It emerged in 2020 more leveraged than it had been at the outset of its bankruptcy filing and without an investment-grade credit rating.

Chief Financial Officer Chris Foster said the company is considering ways to leverage federal funding available for

energy and climate investments, including some allocated through the infrastructure bill passed last year. The bill included \$10.5 billion for projects meant to modernize and strengthen the power grid.

"We're constantly looking for creative financing alternatives," he said. "What's another alternative to allow us to finance the very large book of work that's in front of us?"

PG&E last year announced a 10-year plan to bury 10,000 miles of power lines to safeguard them from sparking on contact with trees and other objects. The company has estimated it will cost roughly \$20 billion and set a goal to complete more than a third of the work by 2026.

Whether the company can achieve that largely depends on how quickly it can improve the value of its shares as well as its ability to regain an in-

Company options are limited without substantially raising customers' rates.

vestment-grade credit rating.

The company doesn't need to raise billions of dollars immediately. In the near term, analysts and investors say, it can likely rely on revenue from operations alongside its creative financing efforts.

"The hope would be that within the next few years, it will be a more stable company, and we'll see more traditional financing," said Wolfe Research senior analyst Steve Fleishman.

For now, regulatory requirements limit PG&E's ability to take on more debt, and Mr. Foster said the company is unlikely to do so given its credit rating and the recent rise in interest rates. It currently owes more than \$4 billion.

Bad Bunny Fans Get an Apology

By ALYSSA LUKPAT

Ticketmaster apologized to Bad Bunny fans who bought tickets but were turned away from the artist's concert in Mexico City on Friday because security officers thought their tickets were fake.

Ticketmaster said its system was overwhelmed because an unprecedented number of people with fake tickets tried to get into Aztec Stadium for Bad Bunny's concert. The confusion between which tickets were

real or fake caused some people with legitimate tickets to be rejected, Ticketmaster said.

At least hundreds of fans who had bought tickets weren't allowed to enter the stadium. Mexico's Office of the Federal Prosecutor for the Consumer said over the weekend that fans with legitimate tickets would be refunded and that it had asked Ticketmaster for a report explaining what had happened.

"Ticketmaster offers its most sincere apology to the public attending the Bad Bunny

concert," the company said in Spanish on Saturday.

This was the second time in less than a month that Live Nation Entertainment Inc.'s Ticketmaster apologized to fans for their ticketing experiences. The company apologized to Taylor Swift's fans on Nov. 18 after its website repeatedly crashed while they were trying to buy tickets to her coming U.S. "Eras Tour." Ticketmaster emailed some fans Monday who had registered for her tour presale and said, per a request from

Ms. Swift's team, that they would soon be sent an invitation to request two tickets.

That episode raised questions about Ticketmaster's dominant position in ticketing. The Wall Street Journal has reported that the Justice Department is investigating Live Nation over whether the live-entertainment company has violated antitrust laws. The Senate antitrust committee was set to hold a hearing about the lack of competition in the ticketing industry.

WSJ Taps Tucker as Editor

Continued from page B1 supported deeply reported investigations, tackling difficult subjects. Earlier this year, the Sunday Times investigated the use of the epilepsy drug sodium valproate and its impact on unborn children.

During her tenure, the Sunday Times business section broke news on major transactions including Unilever PLC's bid for GlaxoSmithKline PLC's consumer-healthcare arm and led investigations into former Prime Minister David Cameron's lobbying on behalf of the disgraced Australian financier Lex Greensill.

At the Sunday Times, Ms. Tucker has prioritized audience growth, utilizing analytics and data to inform change in the newsroom, people who have worked with her say. On her watch, digital readership more than doubled, News Corp said.

Ms. Tucker graduated from Oxford University in 1989. Her journalism career started in London at the Financial Times, where she had early stints covering politics and economics. She served as deputy editor at the Times of London prior to being named editor of the Sunday Times.

The five-member Dow Jones Special Committee, which was created in 2007 to monitor editorial standards and ethics issues at the Journal, unanimously approved the appointment of Ms. Tucker, News Corp said.

"Emma is a brilliant, inspiring editor, with digital nous and the highest standards of integrity," said Mr. Thomson. "Her global vision and experience will be particularly important at a time of immense international opportunity for The Wall Street Journal."

Ms. Tucker's appointment comes as News Corp and Fox Corp. are considering a proposal from Rupert Murdoch to reunite after nearly a decade as separate companies.

Mr. Murdoch's family trust holds large stakes in each media company.

Mr. Thomson described Mr. Murray as "a superb journalist and leader who has overseen a peerless editorial team that fashioned success for the Journal during an era of extreme vulnerability for media companies and journalism."

Mr. Murray was under con-



Emma Tucker takes over from Matt Murray as editor on Feb. 1.

tract as the Journal's editor through June 2023, according to people familiar with the matter.

He joined Dow Jones & Co. in 1994 as a reporter for the Pittsburgh bureau. He served in a variety of roles, including executive editor and deputy editor in chief. Mr. Murray took over the top job at the Journal in June 2018. He is the author of "The Father and the Son: My Father's Journey into the Monastic Life," published in 1999.

"I've long been proud of the Journal's essential, independent journalism, and feel special pride in all that our team has accomplished," Mr. Murray said in a statement. "The Journal and Dow Jones are poised to further extend their impact, reach and influence with Emma at the helm."

As editor, Mr. Murray strongly articulated that the Journal should remain focused on its core strengths in business, finance and economics, even as it pursues general-interest readers.

Journalistic achievements during Mr. Murray's tenure include the publication in 2021 of the "Facebook Files," a series based on internal Facebook documents.

The stories revealed how Facebook Inc.—since renamed Meta Platforms Inc.—was aware of harmful effects of its platform but failed to take action to correct them.

This year, the Facebook series won a George Polk award for business reporting and a Gerald Loeb Award for beat reporting.

The news organization won two more Loeb Awards for breaking news coverage of GameStop Corp. and an explanatory series that showed how TikTok's algorithm can drive minors into spoils of adult content.

Separately, a series that revealed how federal judges broke the law by hearing cases where they had a financial interest was among the winners of the 2022 Barlett and Steele

strong experience in international and digital journalism and an impressive track record in leading journalists."

Early in his tenure, Mr. Murray carried out a restructuring of the newsroom, creating a large strategy group headed by journalist Louise Story. The team, which included specialists in such disciplines as research and development and innovation, authored a report that made several recommendations. These included that the Journal should make greater efforts to reach younger and more diverse readers, as well as casual readers.

The strategy review wasn't publicized by the Journal. Although the group was wound down, some of its ideas were implemented. Ms. Story left the Journal in July 2021.

Mr. Murray navigated the Journal through the pandemic, when coverage of the major public-health and economic storylines spurred a major rise in readership and online subscriptions, as it did for some other publishers.

During the pandemic, the Journal, like other companies, faced a management challenge, as its operations across the world closed and staff worked remotely. Mr. Murray has been an advocate of having workers return to the office, emphasizing the value of in-person collaboration in a newsroom.

In May 2020, the killing of George Floyd in police custody set off racial-justice protests in the U.S. and sparked debates inside many newsrooms about race and diversity.

At the Journal, more than 150 journalists later sent a letter to Messrs. Murray and Latour, raising concerns about diversity, hiring and coverage.

At the time, Mr. Latour said he initiated a review of the issues raised by the staffers and that Mr. Murray would pursue newsroom changes.

In July 2020, the Journal named Brent Jones, a newsroom leader, to the new and expanded role of editor, culture, training and outreach.

In a memo to staff, Mr. Murray said Mr. Jones, who is a Black journalist, would be added to the publication's masthead and would report to him, helping to rethink diversity in staffing and coverage.

Europe Draws U.S. Shoppers

Continued from page B1

zero-Covid controls following nationwide protests, dropping many of its quarantine and testing requirements and curtailing the power of local officials to shut down entire city blocks.

The French capital's tony department stores—which have traditionally been more focused on Asian clientele—are now jostling to attract Americans. Stéphane Roth, chief marketing, communication and architecture officer of Printemps Group, said three times as many Americans had visited the company's store on the Boulevard Haussmann in the heart of the city as in 2019. Americans tend to visit Paris for four or five days, but spend the same amount as Europeans who travel for two weeks, he said.

"It reminds me of F. Scott Fitzgerald and the Roaring



Louis Vuitton's parent says sales benefited from U.S. tourists lured by a strong dollar. Above, a store in Paris in October.

'20s. Most of the luxury brands are experiencing the same thing," he said.

Mr. Roth added that Printemps had recently signed partnerships with travel companies such as Expedia Group Inc. and Visa Inc. to boost the store's visibility among Americans.

Luxury conglomerates LVMH Moët Hennessy Louis Vuitton SE and Gucci owner Kering SA say spending shifted to Europe from the U.S. over the summer because Americans were taking advantage of the

strong dollar to splurge. The trend has echoes of the price differential between China and Europe that at times could reach up to 50% because of moves in the yuan-euro exchange rate. Spreads that wide have prompted Chinese visitors to buy goods in Europe, sell them back home for less than Chinese stores charge and pocket the difference.

A November report from analysts at Bain & Co. estimated that American spending on luxury goods in Europe would be

2.3 times as high this year as in 2019, before the pandemic closed stores around the world. Bain said Americans would account for between 32% and 34% of global luxury spending this year, a sharp increase from the 22% they accounted for in 2019.

"We decided to definitely come here because of the strong dollar," said Milan Lint, who had retired from asset manager BlackRock Inc., as he was heading to an Hermès boutique.

A 31-year-old woman from Los Angeles said the strong dollar was the reason she had just purchased a tote bag from Saint Laurent for €1,100. The same bag retails for \$1,450 in the U.S., she added. "I didn't need to get this bag at this moment, but the dollar is essentially the same as the euro, and I'm getting some of the tax back," she said.

How long the splurge will last is unclear. The U.S. economy is facing an uncertain 2023 that might prompt more Americans to cut back on spending. The European Central Bank has been following the Federal Reserve in tightening monetary policy, and the dollar has weakened.

Listening Closely. Responding Quickly. Delivering Consistently.



ManhattanLife Standing By You. Since 1850.

Because your needs really are important to us. Let us prove it.



BUSINESS NEWS

Rivian Pauses Mercedes Talks

EV maker's move on tie-up for vans in Europe is part of effort to conserve cash

By SEAN McLAIN

Electric-vehicle startup **Rivian Automotive Inc.** said it has paused negotiations with **Mercedes-Benz Group** over a planned tie-up to produce electric vans in Europe, as part of a wider effort at the SUV and truck maker to conserve cash.

In September, both companies said they were starting negotiations on a potential joint venture at a Mercedes plant in Poland, which would have produced commercial vans for both auto makers. At the same time, Rivian executives have been cautious about overextending operations in the wake of tightening capital markets and concerns over the economy.

Rivian, in a statement early Monday, said the move to break off joint-venture negotiations with Mercedes comes after re-evaluating its growth opportunities and opting to sharpen focus on projects that promise the best "risk-adjusted" return on investment.

"The pausing of this partnership reflects our process of continually evaluating our major capital projects, while taking into consideration our current and anticipated economic conditions," said Rivian Chief Financial Officer Claire McDonough in an emailed statement.

The startup said it believes that its current business selling trucks and SUVs to retail customers and the commercial-van deal it has with Amazon.com Inc. are best positioned to drive profitability in the near-term.

Rivian said it would be willing to pursue a deal with Mercedes at a later date.

Mercedes said in a separate statement on Monday that it would move ahead with plans to build a new plant in Jawor, Poland, that would exclusively produce large electric vans us-



Losses have continued to pile up at Rivian as it tries to increase production at its sole plant in Normal, Ill.

ing Mercedes' own technology. Without Rivian as a partner, the Jawor expansion would be smaller than initially planned, Mercedes said.

Mercedes already produces combustion engines and batteries at the site. Mercedes didn't say when the new plant would begin operating.

Losses have continued to pile up at Rivian as it tries to increase production at its sole plant in Normal, Ill., and aims to start construction on a second factory in Georgia that is expected to open in the next few years.

The company reported a total net loss of \$5 billion in the first three quarters of this year.

Rivian laid off around 6% of its staff this summer and slashed spending in an effort to conserve cash. The company's cash pile—about \$17 billion at the end of March—has dwindled to \$13 billion at the end of September, the most recent period for which information is available.

RJ Scaringe, Rivian's chief executive, has said the startup is focused on projects that are positioned to give it the best return on investment in the near-term. Rivian had 114,000

customers as of November waiting for delivery of an R1T pickup truck or R1S SUV, two fully electric models it sells in the U.S.

Rivian went public last November as part of a flurry of initial offerings by buzzy EV startups promising to upend the auto industry. The Irvine, Calif.-based company was briefly worth more than Ford Motor Co., as investors bet that

Rivian posted a net loss of \$5 billion in the first three quarters of this year.

the truck-manufacturing upstart would dethrone the biggest seller of pickup trucks.

Since then capital markets have soured on many of these companies, including Rivian. The company's shares are down around 84% from their peak.

Rivian has struggled at times to make good on its stated plans. In March, the company cut its production guidance to around 25,000, citing parts shortages and supply

chain problems. It has also encountered other hurdles, particularly on the manufacturing floor, where Rivian has struggled to run its Illinois factory at full speed and for a full working week.

Rivian also angered customers when it increased the price of its vehicles, including for existing reservation holders, citing rising raw-material costs.

Rivian quickly walked back the price increase for existing reservation holders, but the lower selling cost of those early orders has contributed to losses this year.

Customers who ordered after the price increase are paying an average of \$93,000 for their vehicles, Ms. McDonough said last month in an earnings call with analysts. The company expects it will be able to sell vehicles at a profit some time next year.

Rivian is also planning to sell a more affordable version of its vehicle, dubbed the R2, but the planned launch date was pushed back by a year to 2026. Mr. Scaringe, the Rivian CEO, said the delay was to ensure the company had enough to build a new \$5 billion factory in Georgia and get it ready for production.



This year, Weber cut its outlook twice and replaced its CEO.

Grill Maker Weber To Go Private in \$3.7 Billion Deal

By COLIN KELLAHER

Weber Inc. on Monday said it agreed to a sweetened buyout from **BDT Capital Partners LLC**, the private-equity firm that took the grill maker public in 2021 and had remained the company's majority owner.

BDT agreed to pay \$8.05 a share, a 24% premium to Weber's closing price Friday, for the rest of the Palatine, Ill.-based company that it doesn't own. BDT holds a stake of more than 85% in Weber.

The deal values Weber at roughly \$2.3 billion based on the number of its shares outstanding. Weber put the deal's enterprise value at \$3.7 billion, which includes debt.

BDT's go-private deal comes as grill makers struggle to reclaim the growth they reported during the pandemic-era boom in outdoor cooking. This year, Weber cut its outlook twice, replaced its chief executive and withdrew its financial guidance as restaurants across the nation reopened to full capacity.

Through the nine months ended June 30, Weber had lost \$45 million. Weber has said it would report the final quarter of its fiscal year on Wednesday.

Weber's board has already approved the deal, and interim

CEO Alan Matula said the transaction provides "immediate and fair value" to the company's minority shareholders.

Weber said it expects the deal to close in the first half of 2023 pending regulatory approvals. The deal price is 60% above the stock's Oct. 24 closing price of \$5.03, before BDT revealed an initial bid of \$6.25 each for the Weber shares it doesn't already own.

Weber shares rose 23% to \$8.01 Monday. Before Monday, the stock had fallen about 50% this year.

The barbecue brand, in business for 70 years, went public in August 2021 and closed its first day of trading at \$16.50 a share, an 18% premium to its opening price in what had been a robust IPO market. At the time, the company's former chief executive said that "people fell in love with grilling again" after the company reported a 60% rise in sales during the six-month period ended March 31, 2021, amid quarantine and social-distancing orders.

In November 2021, the stock fell below the company's initial-public-offering price of \$14, where it has remained since, falling to as low as \$4.82 in October.



We need each other.

Now more than ever. Because when we work together to connect children with what they need to grow up healthy, educated and safe, we make everyone's world better.

Including yours.

1-800-776-6767 | ChildFund.org

ChildFund[®]
Because we need each other.

Tired Of Being
WHEELS DOWN?

JET AGENCY

ALL MEMBERSHIP
NO FEES



JETAGENCY.CO/WS MEMBERSHIP@JETAGENCY.COM (888) 509-3150

TECHNOLOGY & MEDIA

Twitter Revamps Subscriber Service

By Sarah E. Needleman and Alexa Corse

Twitter Inc. said Monday it reintroduced a new version of its paid subscription service, the second attempt in recent weeks by owner Elon Musk to launch the feature central to his goal of reducing the platform's reliance on advertising dollars.

Twitter said new subscribers will get access to features, including the ability to edit tweets, upgraded video uploads and the company's famed blue checkmark after their account is reviewed for verification purposes.

"We're baaaack! Twitter Blue is now available," according to a tweet Monday from company account @TwitterBlue.

The revamped Twitter Blue represents one of several

rapid-fire changes made by Mr. Musk since he bought the social-media platform in late October for \$44 billion, including mass layoffs and an end to remote work for most remaining staffers.

Twitter had to call off an earlier attempt to launch an enhanced version of Twitter Blue last month because of problems. In the hours immediately after Monday's announcement, some users said they weren't able to subscribe.

Esther Crawford, a Twitter product executive, said such problems were likely because of what she called Twitter's "impersonator defenses," including if an account had recently changed its username, profile photo or bio.

Twitter also said that accounts must be at least 90 days old and have a confirmed phone number to subscribe to the new Twitter Blue.

Some advertisers have



Elon Musk wants to diversify revenue beyond advertising, which previously accounted for about 90% of revenue.

paused spending on the platform amid concerns about Mr. Musk's ability to rein in objectionable content and other changes at the company, including executive departures.

Last month Mr. Musk said Twitter was losing \$4 million a day and he told employees that bankruptcy isn't out of the question.

Mr. Musk has said he wants to diversify Twitter's revenue beyond advertising, which previously accounted for about 90% of its overall revenue.

that falls to 15% after the first year of use.

Mr. Musk complained on Twitter recently about Apple's cut of subscriptions, which has been the subject of criticism by some app developers for years.

Alphabet Inc.'s Google Play store, which is on devices running its Android operating system, takes a 15% cut of subscription revenue.

About 64% of Twitter users in the U.S. use Apple's mobile operating system for the iPhone or iPad compared with 36% who use Alphabet's Android, according to data from analytics firm Sensor Tower.

Twitter initially launched the updated Twitter Blue on Nov. 5, marking the first significant product change since Mr. Musk's takeover.

The revamped check marks were rolled out after the Nov. 8 midterm elections, and users quickly began exploiting them to impersonate brands and celebrities. Verified users falsely posed as LeBron James demanding a trade, George W. Bush attacking Iraqis and Eli Lilly & Co. cutting insulin prices to zero.

—Meghan Bobrowsky contributed to this article.

Safety Council Disbanded

Continued from page B1

Twitter's new head of trust and safety, Ella Irwin, who joined Twitter in June and took the top job overseeing user content and safety policies in November, told the Journal the platform is emphasizing moving swiftly to address problematic content, even if it means figuring out some specifics later.

The cancellation email was sent about an hour before the council was scheduled to meet with Ms. Irwin as well as Nick Pickles, senior director for global public policy strategy, development and partnerships, according to a person familiar with the matter.

Since the takeover, it had been unclear what role the council would play.

Since Mr. Musk bought Twitter, it had been unclear what role the Trust and Safety Council would play. Mr. Musk has discussed the possibility of creating a content-moderation council but didn't explain how it might function in relation to the Trust and Safety Council.

Last month, Twitter postponed the Trust and Safety Council's regularly scheduled meeting until Dec. 15. Last week, Twitter moved up the date to Monday.

On Nov. 29, the council members met without Twitter representatives present to discuss their concerns. Last week, three members announced they would quit the Trust and Safety Council, saying the safety and well-being of Twitter's users was declining.

The council was set up in 2016.

NASA Told Takeover Won't Distract SpaceX

By Micah Maidenber

Elon Musk's acquisition of Twitter Inc. won't be a distraction for SpaceX, NASA said it was told by a senior executive at the rocket company.

Bill Nelson, the National Aeronautics and Space Administration's administrator, said Sunday that he had asked SpaceX President Gwynne Shotwell if the social-media platform Mr. Musk purchased for \$44 billion would divert from the rocket company's mission.

"She assured me that it would not be a distraction," Mr. Nelson said. The statement came after technical difficulties prevented him from addressing

a question related to Twitter and SpaceX during a news conference earlier in the day.

Space Exploration Technologies Corp., as the company is called formally, is a major NASA contractor. The company provides cargo and crew runs to the International Space Station and is expected to play a key role in the space agency's attempt to return to the moon.

A SpaceX spokesman didn't respond to requests for comment. Last month, Mr. Musk said in court that he had been spending most of his time on Twitter but expected to find someone to run the social-media platform over time.

Mr. Nelson's focus on what

Twitter may mean for SpaceX emerged as the agency presses toward the next mission under its Artemis exploration program, following the conclusion Sunday of its inaugural moon flight. Officials at the agency described that operation as a successful test of NASA's massive Space Launch System rocket and Orion spacecraft.

About three years from now, NASA wants to use those vehicles to send astronauts to a lunar orbit, where a SpaceX Starship lander would transport them to the surface of the moon. No person has touched down there since 1972.

SpaceX has been investing heavily in its Starship program,

according to space-industry analysts, adding infrastructure and conducting tests on the ground. The company hasn't attempted to conduct an orbital flight test of Starship and hasn't demonstrated the proposed operations plan it would use to land astronauts on the moon for the third Artemis mission in 2025.

SpaceX said in a tweet late last month that it recently completed a major engine test for Starship, which includes a towering booster called Super Heavy and a spaceship on its top that is also called Starship.

Mr. Nelson said Sunday that SpaceX plans to conduct an uncrewed moon landing with

Starship a year from now, and a crewed test in 2024. Delays aren't out of the question, he added. "Slips are always possible because it is a brand new system, but they have been quite impressive in what they have done with other systems."

In the past, Mr. Musk has discussed a variety of dates for the first Starship test flight, but those timetables haven't been met. Ms. Shotwell said earlier this year that delays are worth it to make sure the technical goals are met.

SpaceX has completed missions for other customers, including launching to orbit a moon-lander vehicle for Japanese company ispace Inc.

SACRED STONE OF THE SOUTHWEST IS ON THE BRINK OF EXTINCTION



Centuries ago, Persians, Tibetans and Mayans considered turquoise a gemstone of the heavens, believing the striking blue stones were sacred pieces of sky. Today, the rarest and most valuable turquoise is found in the American Southwest—but the future of the blue beauty is unclear.

On a recent trip to Tucson, we spoke with fourth generation turquoise traders who explained that less than five percent of turquoise mined worldwide can be set into jewelry and only about twenty mines in the Southwest supply gem-quality turquoise. Once a thriving industry, many Southwest mines have run dry and are now closed.

We found a limited supply of turquoise from Arizona and purchased it for our Sedona Turquoise Collection. Inspired by the work of those ancient craftsmen and designed to showcase the exceptional blue stone, each stabilized vibrant cabochon features a unique, one-of-a-kind matrix surrounded in Bali metalwork. You could drop over \$1,200 on a turquoise pendant, or you could secure 26 carats of genuine Arizona turquoise for just \$99.

Your satisfaction is 100% guaranteed. If you aren't completely happy with your purchase, send it back within 30 days for a complete refund of the item price.

The supply of Arizona turquoise is limited, don't miss your chance to own the Southwest's brilliant blue treasure. Call today!

Jewelry Specifications:

• Arizona turquoise • Silver-finished settings

Sedona Turquoise Collection

- A. Pendant (26 cts) \$299* \$99 +s&p Save \$200
B. 18" Bali Naga woven sterling silver chain \$149 +s&p
C. 1 1/2" Earrings (10 ctw) \$299* \$99 +s&p Save \$200
Complete Set** \$747* \$249 +s&p Save \$498

**Complete set includes pendant, chain and earrings.

*Special price only for customers using the offer code versus the price on Stauer.com without your offer code.

Call now and mention the offer code to receive your collection.

1-800-333-2045

Offer Code STC759-09

You must use the offer code to get our special price.

Stauer® 14101 Southcross Drive W., Ste 155, Dept. STC759-09, Burnsville, Minnesota 55337 www.stauer.com



B.

26 carats of genuine Arizona turquoise ONLY \$99

A.

Stauer... Afford the Extraordinary.™



C.



Rating of A+

CIGORA advertisement featuring an owl logo, 'OFFICIAL FOUNDER'S KIT' text, '\$24.99*' price, '\$45 VALUE' callout, and social media links.

THE WALL STREET JOURNAL.

CIO Network

Technology's Decision Makers From the World's Most Influential Companies

A network connecting heads of technology to examine their role as business leaders and prepare for what's next.

Sabina A. Ewing, Abbott Laboratories	Edward Wagoner, JLL
Penelope Prett, Accenture	Sharon Mandell, Juniper Networks
Kate Prouty, Akamai Technologies	Kevin Stoneham, King & Spalding
Sathish Muthukrishnan, Ally	Michael Bradshaw, Kyndryl
Marc Sule, alphabroder	Jacqui Nevils, L3Harris Technologies
Peter B. Settel, American Family Insurance	Thomas Phelps IV, Laserfiche
Shohreh Abedi, Auto Club Group	James M. McGlennon, Liberty Mutual
Max Chan, Avnet, Inc.	George Brady, loanDepot
Tim M. Crawford, AVOA	Ryland Byars, Medical Properties Trust, Inc.
Ramesh Razdan, Bain	Kevin Scott, Microsoft Corporation
Talvis Love, Baxter International	Lena Smart, MongoDB
Chris Bowers, BCG	Thor Wallace, NETSCOUT
Kfir Godrich, BlackRock Inc.	Billy O'Brien, News Corp
Jeff Hughes, Brighthouse Financial	David Kline, News Corp
Alan Davidson, Broadcom Inc.	Tetsuji Madarame, Nippon Yusen Kaisha
Dan Muraski, Brown-Forman	Karl Mattson, Noname Security
Mike W. Neill, C.H. Robinson	Jeff Sippel, Northwestern Mutual
Shamim Mohammad, CarMax, Inc.	Wendy M. Pfeiffer, Nutanix
Sandeep Dave, CBRE	Akash Jain, Palantir
Craig Kwiatkowski, Cedars Sinai Medical Center	Michael E. Gioja, Paychex Inc.
Carrie Rasmussen, Ceridian	James Shira, PwC
Fletcher Previn, Cisco	Gabrielle Wolfson, Quest Diagnostics Incorporated
Eric Tan, Coupa	Ajay Sabhlok, Rubrik
Doug Beaudoin, Deloitte	Srini Sundarajan, Ryerson
Ashok K. Banerjee, Dentons	Elena Kvochko, SAP America
Daniel Bernard, Dow Jones	Patrick W. McGrath, Savills
DXC	Jennifer Hohman, Seadrill
Milind G. Wagle, Equinix	Seagate Technology
Jeff Wong, Ernst & Young	Chris Bedi, ServiceNow
Geng Lin, F5	Vincent A. Marin, Sidley Austin LLP
Dimitris Bountolos, Ferrovial	Ann Dozier, Southern Glazer's Wine & Spirits
Bradley S. Christmas, Foley & Lardner	Daniel R. Stuart, Southwire Company
Victor P. Fetter III, Fortive	Spartannash
Samir Shah, Fortune Brands Home & Security	Alan Douville, Stryker
Paul Cheesbrough, Fox Corporation	Julianna Lamb, Stytech
Feroz D. Merchhiya, Glendale AZ	Brett Craig, Target
John Arsneault, Goulston & Storrs	Abhijit K. Mazumder, Tata Consultancy Services
Vish M. Narendra, Graphic Packaging International	Bryan Hutson, The J.M. Smucker Company
Allen D. Fazio, Houlihan Lokey	Vittorio Cretella, The Procter & Gamble Company
Tolga Kurtoglu, HP Inc.	Vipin Gupta, Toyota Financial Services
Kuldip Mohanty, HUB International	Scott Spradley, Tyson Foods
Kathryn Guarini, IBM	Dilip Venkatachari, U. S. Bancorp
Ashwin Rangan, ICANN	Bill Eismont, Uline
Mike Parisi, Illinois Tool Works Inc.	Joel E. Klein, UMMS
Kate Aydin, Impossible Foods	Gautam Roy, UNUM
Vic Verma, International Flavors & Fragrances Inc	Nick Daffan, Verisk
Rajan Kumar, Intuit	Vikram Nafde, Webster Bank
Najib Rahal, Investcorp	Gary Sorrentino, Zoom
Madhuri Andrews, Jacobs	

Membership is by invitation: CIONetwork@wsj.com Learn more: CIONetwork.wsj.com/inquire

THE WALL STREET JOURNAL.
TRUST YOUR DECISIONS

BUSINESS NEWS

Logistics Firm Maersk Appoints Clerc CEO

Executive takes reins at the company amid tumbling freight rates, high inflation

By COSTAS PARIS AND DOMINIC CHOPPING

A.P. Møller-Maersk A/S said Monday that it has appointed Vincent Clerc as its next chief executive, as the Danish shipping and logistics giant enters a tougher environment with lower freight rates and mounting macroeconomic challenges.

Mr. Clerc currently serves as CEO of Maersk's ocean and logistics business and has been with Maersk for 25 years, the company said. He will assume the CEO post Jan. 1.

Maersk's current CEO, Soren Skou, will leave the company after nearly 40 years. He has served as Maersk's chief since 2016 and spearheaded the company's evolution from a container shipping and oil conglomerate to an integrated logistics provider that operates freight ships, port termi-

nals, warehouses and cargo planes.

Mr. Clerc is taking the reins after a period when high ocean freight rates helped Maersk report strong earnings through the Covid-19 pandemic.

Maersk reported more than \$24 billion in profits through the first nine months of this year after generating a record annual profit of more than \$18 billion in 2021.

The outlook for 2023 is challenging, analysts and company executives say, as ship freight rates decline from recent highs with large importers such as **Walmart Inc.** and **Target Corp.** cutting orders and reducing their inventory amid shifts in consumer spending.

"We clearly have to find a new balance in this new market" based on ocean freight rates, Mr. Clerc said in an interview with *The Wall Street Journal*.

Maersk said it is moving 30% fewer containers across the Pacific since last year, with dozens of vessels taken out of the trade. Congestion at



Vincent Clerc has been with Maersk for 25 years, and currently serves as CEO of the company's ocean and logistics business.

Southern California ports as a result of strong import demand late last year and early this year has since cleared out.

"You can't deploy more capacity than what our customers need," Mr. Clerc said. "We

are going through a significant inventory correction in the U.S. and Europe, and we made significant capacity adjustments to our capacity in and out of Asia."

Trans-Pacific spot freight

rates have collapsed from the pandemic-driven highs. The daily price to send a container from Shanghai to California is now roughly \$1,400 from \$15,000 in December 2021, according to the Freightos Baltic Index. In 2019, the daily spot price along that route was around \$1,500.

Ocean freight rates are expected to come under more pressure next year as a slew of new ships now under production hit the water. While container demand is slated to decline next year, capacity is expected to grow by 8% in 2023 and another 9% in 2024, according to shipping-services provider Braemar.

"The main East-West ocean trades are in for a tough winter and a challenging 2023," said Braemar container analyst Jonathan Roach. "Uncertainty remains high on the pace of a trade recovery for 2024 and beyond, as geopolitical crises keep popping up and without a time frame."

To mitigate oversupply, container-ship demolition is expected to increase next year, according to ship owners, op-

erators of scrap yards and industry analysts. Ship owners avoided scrapping vessels over the past couple of years because of the high demand to move goods.

Mr. Clerc said Maersk will move out of expensive charter agreements and cut costs where it can.

The World Trade Organization expects global goods trade will grow 1% next year from 2022, a slowdown from the estimated 3.5% expansion this year. Maersk is seen as a bellwether of global trade with more than 700 ships in operation.

"It will take some time before the clear picture on the market comes up," Mr. Clerc said. "It's unpredictable for our customers and for us, and we will spend some months trying to find what balance should be. But it should be higher than in 2019 given the inflation and higher fuel costs."

Shares of Maersk closed more than 2% lower in Copenhagen trading Monday, bringing their decline this year to about 40%.

Thoma Bravo to Take Coupa Private in \$8 Billion Deal

By DEAN SEAL AND LAURA KREUTZER

Private-equity firm **Thoma Bravo LP** is tapping its newest and largest fund to date as it plans to take **Coupa Software Inc.** private in an all-cash acquisition with an enterprise value of \$8 billion.

The cloud-based business-spend management platform said Monday that its shareholders will be paid \$81 a

share, which represents a 77% premium to Coupa's closing price Nov. 22, the last full trading day before media reports of a potential takeover surfaced.

The transaction includes a significant minority investment from a subsidiary of the Abu Dhabi Investment Authority, Coupa said.

Thoma is using its newest, and so far largest, buyout fund, Thoma Bravo Fund XV

LP, to finance the deal, according to a regulatory filing. The firm recently announced it closed the fund at \$24.3 billion, part of a \$32.4 billion fundraising effort that also included capital raised for the firm's latest midmarket fund as well as money collected for a fund focused on smaller technology companies, *The Wall Street Journal* previously reported.

Coupa expects the deal to

close in the first half of 2023.

Once completed, Coupa's shares will no longer be listed on a public market. The company will continue to operate under Coupa's name and branding.

Coupa said in a regulatory filing outlining the transaction that it engaged with 14 prospective acquirers, 11 of which were financial sponsors.

However, six parties executed nondisclosure agree-

ments and gained access to nonpublic information about the company, which received two final and fully financed bids, the filing noted. The filing didn't name the other bidder.

Shares increased nearly 27% to \$78.65 in Monday's trading.

Thoma Bravo has been an active bidder for publicly traded software companies over the past 12 months. In

October, the firm announced it would buy digital identity technology company **ForgeRock Inc.** for \$2.3 billion and that same month also announced it would acquire customer experience video company **UserTesting Inc.**

Earlier in the year, it backed take-private deals for cybersecurity technology companies **Ping Identity Holding Corp.** and **SailPoint Technologies Holdings Inc.**

ADVERTISEMENT

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

BUSINESS OPPORTUNITIES

SCAFFOLDING RENTAL COMPANY SOUTHERN U.S.

Long-standing Relationships with Customers

Provider of ringlock, cuplock, shoring, and frame scaffold systems to customers spanning numerous industries, including Fortune 500 companies and large government contractors. Also provides labor to accompany rented scaffolding. Majority of scaffolding currently being utilized onsite for existing long-term jobs. Over 1 million pieces of scaffolding recently valued at \$21 million. Sale process already underway.



Contact: Debbie Beall
(443) 951-4854
debbiebeall@schgroup.com

U.S. Bankruptcy Court for the Southern District of Alabama Case No. 22-11208

PUBLIC NOTICES

ADVERTISEMENT OF COURT MEETING
THE HIGH COURT
No. 2022/245 COS
IN THE MATTER OF LINDE PLC
- and -
IN THE MATTER OF THE COMPANIES ACT 2014
- and -
IN THE MATTER OF A PROPOSAL FOR A SCHEME OF ARRANGEMENT PURSUANT TO PART 9, CHAPTER 1 OF THE COMPANIES ACT 2014
- and -
IN THE MATTER OF THE IRISH TAKEOVER PANEL ACT 1997
NOTICE

NOTICE IS HEREBY GIVEN that an Originating Notice of Motion was made returnable before the Irish High Court on 5 December 2022 applying for an Order pursuant to Section 450(3) of the Companies Act 2014 (the "Act") directing that a meeting of the holders of Scheme Shares (as defined in the scheme document (the "Scheme Document")) further to the proposed scheme of arrangement between Linde Public Limited Company (the "Company") and the holders of the Scheme Shares (the "Scheme"), be convened to consider and, if thought appropriate, to approve (with or without modification(s), additions(s) or condition(s) imposed by the Irish High Court) the Scheme (such meeting, the "Court Meeting", which expression shall include any adjourned or postponed meeting).

The purpose of the Scheme is to provide for the transfer of the Scheme Shares to New Linde (as defined in the Scheme Document) in consideration for the allotment and issue of New Linde Shares to the Scheme Shareholders. By Order of the High Court dated 5 December 2022, the Irish High Court ordered that the Court Meeting be convened at 10 Riverview Drive, Danbury, Connecticut 06810, United States with access by technological means from Arthur Cox LLP offices in Dublin, Ireland on 18 January 2023 at 10:00 a.m. Eastern time (3:00 p.m. Irish Time) where the Court Meeting will be audio cast through the Microsoft Teams platform, for the purpose of considering and, if thought appropriate, approving (with or without modification(s), additions(s) or condition(s) imposed by the Irish High Court) the Scheme.

The High Court directed that the notice of the Court Meeting be sent on or about 9 December 2022. The High Court ordered that the entitlement to attend and vote at the Court Meeting and the number of votes which may be cast thereat be determined by reference to the register of members of the Company at 10:00 a.m. Eastern time (3:00 p.m. Irish time) on 16 January 2023 (or, if the Scheme Meeting is adjourned or postponed, 10:00 a.m. Eastern time (3:00 p.m. Irish time) on the date that falls 48 hours before the time for the adjourned or postponed meeting) (the "Voting Record Time"). All such members are invited to attend the Court Meeting at the place and time set out above or via the Microsoft Teams platform at the Arthur Cox LLP offices in Dublin, Ireland.

Copies of the Scheme, and the scheme circular prepared pursuant to Section 452 of the Act, which are included in the proxy statement distributed to the shareholders of the Company on or about 9 December 2022, can be obtained from the registered office of the Company at Ten Earlsfort Terrace, Dublin 2, Ireland. The proxy statement that includes the Scheme has been filed with the U.S. Securities and Exchange Commission and is available on its website and is also available on the Company's website at <https://investors.linde.com/proxystatement website>.

13 December 2022
ARTHUR COX
Solicitors for the Company
Ten Earlsfort Terrace
Dublin 2
D02 T880
Ireland
Conall.OShaughnessy@arthurcox.com

BUSINESS OPPORTUNITIES

INVEST IN SECURED, COLLATERALIZED FIRST LIEN MORTGAGES



9-10%
ANNUAL RETURNS*
- MONTHLY DIVIDENDS -

InvestWithLYNK.com
(410) 258-3903

*For Accredited Investors only. Past performance is no guarantee of future results. Visit website for details and disclosures.

DUMPSTER RENTAL COMPANY

Annual Revenue ~\$16 Million

Seeking buyer for established dumpster rental company based outside of Memphis, in Shelby County, TN. Includes a robust fleet of 39 service trucks and approx. 2,100 heavy duty dumpsters designed to accommodate the removal and/or recycling of construction & demolition materials.

SC&H Capital
Ph: (443) 951-4854

U.S. Bankruptcy Court, Western District of TN, Case #22-23526

NAPA VALLEY'S TOP HOT AIR BALLOON CO.

INCLUDES REAL ESTATE
3 PARCELS

Huge Upside, Scalable,
Completely Turnkey

707-294-2944

COMMERCIAL REAL ESTATE

FLORIDA PROPERTY/BIZ- All High & Dry
Orlando North Airport (FA83), Paved Runway
25 Hangars, Ops & Security, Fuel, On 130 ac.
Options for up to 1,000 ac. Land Use Ind & Manuf./Relocate your company here \$9.4M, +\$45K/ac up to 900 acres.
75 Ac Comm Land Prime Frontage US HWY 1 Daytona
\$175K/ac OR \$150K/ac for 45-day close.
4.05/Ac Comm major Hwy Apopka, FL \$498K
Style & Trim Biz \$4.2M Business & Property
Contact Watson Realty Corp Text or Call
Bob Brewster (386) 341-0423



Northvolt AB operates the European Union's flagship battery project, a gigafactory in Sweden.

EU Delays Labeling Lithium, Key to EV Batteries, as Toxic

By YUSUF KHAN

The prospect that the European Union will classify lithium as toxic is adding to worries in the electric-vehicle battery industry that policy makers aren't doing enough to attract investment and the EU will lose out to the U.S., an attractive destination for such companies partly thanks to the Inflation Reduction Act.

Last week, the European Commission was set to give a final ruling on whether lithium, a crucial battery input, should be classified as a toxic substance. The commission's scientific arm recommended that it do so.

The decision by the EU's executive arm has now been pushed back into the new year, the second delay in as many months. Europe's nascent battery companies are warning that investors may be drawn away from the continent to the U.S. where the IRA has created strong incentives to establish supply chains in the country.

If lithium is labeled toxic, those handling it would be subject to extra safety measures, adding millions in extra costs for prospective lithium refiners and battery makers in Europe, expenses that are absent in the U.S., China and the U.K., industry experts say.

So far, within the European battery industry, Sweden's Northvolt AB has been one of the few victories for the EU. Northvolt operates the bloc's

flagship battery project, a gigafactory in the north of Sweden. The company is currently valued at \$12 billion and is a supplier for some major car makers including Bayerische Motoren Werke AG and Volkswagen AG.

The Northvolt Ett gigafactory started producing commercial batteries in May and plans to scale up to 60 gigawatt hours—equivalent to one million electric vehicles a year—by 2025-26. At least two more gigafactories in Sweden are going with one in Germany are

Battery makers warn the bloc could lose out to the U.S. among investors.

already in the works.

Northvolt has said, however, that it remains lukewarm about making further investments in Europe due to the pull of the U.S., saying that production costs are 30% lower there because of the IRA.

Earlier this month, European Commission President Ursula von der Leyen alluded to worries about critical supply chains and the IRA. She said the EU should "simplify and adapt" its rules that limit state funding to make it easier for public investments.

For those looking to establish European battery produc-

tion, the EU's position on electric vehicles remains confusing. On the one hand, there are incentives, such as the Critical Raw Materials Act; on the other hand, the proposed classification of lithium as toxic could stifle refining projects and drive away investment.

"At a time when other nations such as the U.S. are opening their doors, taking down barriers and putting their taxpayer's money on the line to strategically attract and build battery-metals supply chains...Europe is putting up barriers to companies in this market," said Richard Taylor, a founding director of Trafigura-backed Green Lithium Refining Ltd.

"If the opportunity is not attractive in Europe, companies won't bother setting up [there]," Mr. Taylor said.

In contrast, the IRA is quite clear: promising tax credits and subsidies for American-made electric vehicles and components, while also favoring raw material supplies from countries that have free trade agreements with the U.S.

"America is doing the right thing, they are supporting this massively with the IRA," said Lars Carlstrom, founder and CEO of two gigafactory startups, Statevolt in California and Italtvolt in Italy. "We haven't seen anything such as it, and in Europe all of a sudden when we thought we were well supported here, it is actually nothing compared with what America is now doing."

Three Top VMware Executives To Leave

By EMILY GLAZER

Three senior **VMware Inc.** executives are leaving the enterprise software company that **Broadcom Inc.** wants to acquire for \$61 billion, VMware's leader told staff in a memo on Monday.

VMware Chief Executive Raghu Raghuram said the senior vice presidents of cloud infrastructure, Mark Lohmeyer; applications and management business, Ajay Patel; and networking and advanced security, Tom Gillis, are leaving, according to the memo, which was viewed by *The Wall Street Journal*.

Broadcom in May said it planned to buy VMware as part of a push by the chip company into software. VMware would nearly triple the size of Broadcom's software division and account for nearly 49% of its revenue. The deal is awaiting regulatory approval.

"As it happens during such transition, we find some executives decide to move on," according to the memo. "All three have held leadership positions over several years and drove much impact across the business."

A VMware spokeswoman confirmed the departures and said the company had named four executives to replace them. The Federal Trade Commission has been seeking information from the companies about the combination, according to a regulatory filing.

Broadcom is expecting an extended period of reviews of the deal in many jurisdictions across the globe, Chief Executive Hock Tan said in a call with analysts last week, even though it received clearance in Brazil, Canada and South Africa. He said he expected it to be completed in the company's 2023 fiscal year, which runs through next October.

VMware signaled the departures aren't expected to affect its operations. The memo pointed to the company's strong and seasoned set of senior executives who are ready to step into the roles as well as broader efforts to reorient its business.

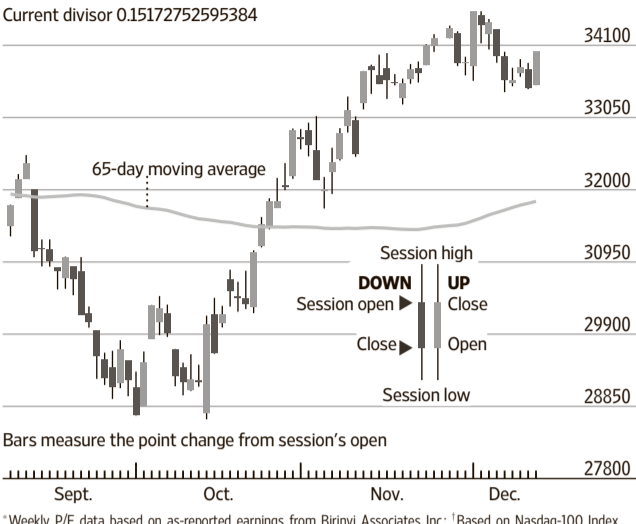
Broadcom shares were up 2.2% in Monday trading, with VMware's stock climbing 1.4%.

MARKETS DIGEST

EQUITIES

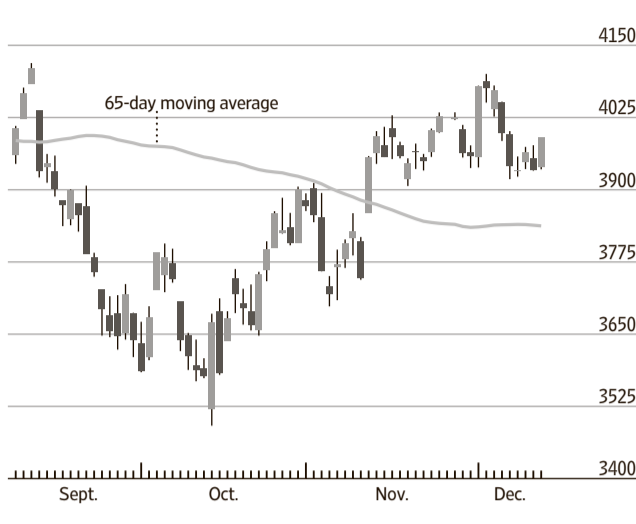
Dow Jones Industrial Average

34005.04 ▲ 528.58, or 1.58%
High, low, open and close for each trading day of the past three months.



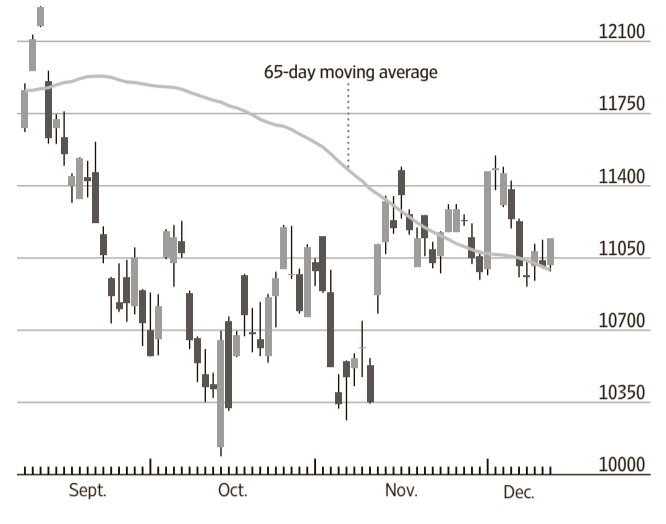
S&P 500 Index

3990.56 ▲ 56.18, or 1.43%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

11143.74 ▲ 139.12, or 1.26%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table with columns: Index Name, High, Low, Latest Close, Net chg, % chg, 52-Week High, Low, % chg, YTD, % chg 3-yr. ann.

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 with columns: Company, Symbol, Volume (000), Last, Net chg, After Hours % chg, High, Low.

Percentage gainers...

Table with columns: Company, Symbol, Latest Session Close, Net chg, % chg, 52-Week High, Low, % chg.

Trading Diary

Volume, Advancers, Decliners

Table with columns: NYSE, NYSE Amer., Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, Unchanged, New highs, New lows, Closing Arms, Block trades.

International Stock Indexes

Table with columns: Region/Country, Index, Close, Net chg, Latest % chg, YTD % chg.

Percentage Gainers...

Table with columns: Company, Symbol, Latest Session Close, Net chg, % chg, 52-Week High, Low, % chg.

Most Active Stocks

Table with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, Low.

Percentage Losers

Table with columns: Company, Symbol, Latest Session Close, Net chg, % chg, 52-Week High, Low, % chg.

Volume Movers

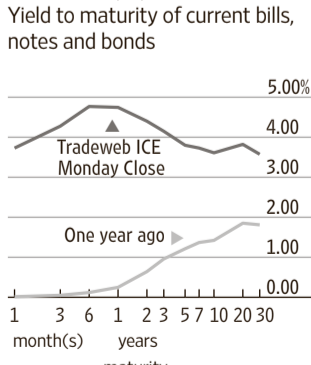
Table with columns: Company, Symbol, Volume (000), % chg from 65-day avg, Latest Session Close, % chg, 52-Week High, Low.

CREDIT MARKETS

Consumer Rates and Returns to Investor

Table with columns: Interest rate, Yield/Rate (%), Last, 52-Week Range (%), 3-yr chg (pctpts).

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table with columns: Bond total return index, Close, Yield (%), 52-Week High, Low, Total Return (%).

CURRENCIES & COMMODITIES

Currencies

Table with columns: Country/currency, Mon in US\$, US\$ vs YTD chg (%), Mon per US\$, US\$ vs YTD chg (%).

Commodities

Table with columns: Commodity, Monday Close, Net chg, % Chg, 52-Week High, Low, % Chg, YTD % chg.

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

	Contract				Open interest
	Open	High	Low	Settle	
Copper-High (CMX) -25,000 lbs., \$ per lb.					
Dec	3.8410	3.8455	3.7895	3.7985	-0.0775
March	3.8595	3.8595	3.7860	3.8005	-0.0780
Gold (CMX) -100 troy oz., \$ per troy oz.					
Dec	1787.30	1793.90	1777.70	1780.50	-17.60
Jan	1801.60	1801.60	1782.00	1785.00	-18.50
Feb	1808.00	1809.30	1789.00	1792.30	-18.40
April	1823.80	1823.80	1804.60	1807.40	-18.50
June	1839.30	1839.30	1820.00	1822.70	-18.60
Aug	1845.00	1852.00	1836.60	1838.30	-18.60
Palladium (NYM) -50 troy oz., \$ per troy oz.					
Dec	1861.70	-	-84.70	-	-
March	1954.00	1959.50	1876.00	1884.10	-84.70
Platinum (NYM) -50 troy oz., \$ per troy oz.					
Dec	1021.00	-	-28.20	-	-
Jan	1033.00	1035.80	1002.80	1008.00	-28.20
Silver (CMX) -5,000 troy oz., \$ per troy oz.					
Dec	23.420	23.515	23.230	23.220	-0.315
March	23.650	23.765	23.230	23.403	-0.314
Crude Oil, Light Sweet (NYM) -1,000 bbls., \$ per bbl.					
Jan	71.79	73.99	70.25	73.17	2.15
Feb	72.02	74.00	70.48	73.28	2.07
March	72.16	74.09	70.72	73.46	2.03
June	72.47	74.25	71.24	73.84	1.82
Dec	71.81	73.18	70.57	72.78	1.47
Dec	69.21	70.44	68.42	70.04	1.10
NY Harbor ULSD (NYM) -42,000 gal., \$ per gal.					
Jan	2.8211	3.0077	2.7882	2.9685	1.748
Feb	2.8008	2.9683	2.7652	2.9397	1.617
Gasoline-NY RBOB (NYM) -42,000 gal., \$ per gal.					
Jan	2.0582	2.0966	2.0204	2.0810	0.249
Feb	2.0705	2.1075	2.0321	2.0952	0.280
Natural Gas (NYM) -10,000 MMBtu., \$ per MMBtu.					
Jan	6.950	7.058	6.487	6.587	3.42
Feb	6.687	6.807	6.320	6.416	3.34
March	6.090	6.139	5.722	5.785	2.20
April	5.210	5.343	5.040	5.096	1.72
May	5.140	5.217	4.990	5.047	1.60
Oct	5.188	5.345	5.128	5.184	1.34

	Contract				Open interest
	Open	High	Low	Settle	
Feb	23	155.800	156.200	155.250	156.100
Hogs-Lean (CME) -40,000 lbs., cents per lb.					
Dec		81.825	82.700	81.650	81.950
Feb		84.050	84.175	82.800	83.700
Lumber (CME) -110,000 bd. ft., \$ per 1,000 bd. ft.					
Jan		415.00	415.00	407.50	410.80
March		411.10	415.10	409.30	410.10
Milk (CME) -200,000 lbs., cents per lb.					
Dec		20.39	20.50	20.39	20.50
Jan		19.25	19.39	18.92	19.04
Cocoa (ICE-US) -10 metric tons, \$ per ton.					
Dec		2,489	2,512	2,477	2,502
March		2,489	2,512	2,477	2,502
Coffee (ICE-US) -37,500 lbs., cents per lb.					
Dec		156.30	156.50	155.00	166.35
March		157.70	167.60	154.55	167.05
Sugar-World (ICE-US) -112,000 lbs., cents per lb.					
March		19.68	19.71	19.31	19.38
May		18.56	18.56	18.24	18.32
Sugar-Domestic (ICE-US) -112,000 lbs., cents per lb.					
March		36.75	-	-	36.75
Cotton (ICE-US) -50,000 lbs., cents per lb.					
March		80.95	81.88	79.03	79.39
May		80.93	81.77	79.15	79.48
Orange Juice (ICE-US) -15,000 lbs., cents per lb.					
Jan		214.65	214.65	206.15	209.20
March		201.05	201.05	197.30	197.65

Interest Rate Futures

	YTD total return (%)	Index		Yield (%)	
		Latest	High	Low	High
Ultra Treasury Bonds (CBT) -\$100,000; pts 32nds of 100%					
Dec	143.130	144.020	142.000	142.100	-6.0
March	142.050	144.080	141.260	142.120	-11.0
Treasury Bonds (CBT) -\$100,000; pts 32nds of 100%					
Dec	130.070	130.300	129.150	129.230	-7.0
March	129.200	130.300	129.110	129.210	-8.0
Treasury Notes (CBT) -\$100,000; pts 32nds of 100%					
Dec	113.240	114.030	113.150	113.190	-7.5
March	113.310	114.125	113.225	113.265	-8.5
5 Yr. Treasury Notes (CBT) -\$100,000; pts 32nds of 100%					
Dec	108.222	108.250	108.122	108.142	-5.0
March	108.247	109.012	108.190	108.212	-6.5
2 Yr. Treasury Notes (CBT) -\$200,000; pts 32nds of 100%					
Dec	102.165	102.186	102.145	102.151	-3.2
March	102.230	102.257	102.200	102.208	-4.1
30 Day Federal Funds (CBT) -\$5,000,000; 100 - daily avg.					
Dec	95.8850	95.8875	95.8800	95.8825	255.817
Jan	95.6500	95.6550	95.6450	95.6450	-0.050
10 Yr. Del. Int. Rate Swaps (CBT) -\$100,000; pts 32nds of 100%					
Dec	93.005	93.190	92.235	92.305	-11.5
Three-Month SOFR (CME) -\$1,000,000; 100 - daily avg.					
Sept	96.5275	96.5275	96.5250	96.5250	621.640
March	95.0750	95.0900	95.0300	95.0500	-0.300
Eurodollar (CME) -\$1,000,000; pts of 100%					
Dec	95.2500	95.2600	95.2075	95.2250	-0.225
March	94.8650	94.8800	94.8150	94.8400	-0.350
Sept	94.9550	94.9950	94.9050	94.9300	-0.450
Dec	95.2850	95.3300	95.2250	95.2500	-0.060

Currency Futures

	Latest	High	Low	Settle	Chg
Japanese Yen (CME) -\$12,500,000; \$ per 100¥					
Dec	7322	7329	7260	7265	-0.070
March	7416	7416	7344	7349	-0.070
Canadian Dollar (CME) -CAD 100,000; \$ per CAD					
Dec	7328	7343	7308	7331	-0.007
March	7336	7351	7317	7340	-0.007
British Pound (CME) -£62,500; \$ per £					
Dec	1.2263	1.2302	1.2209	1.2261	-0.014
March	1.2293	1.2331	1.2237	1.2291	-0.014
Swiss Franc (CME) -CHF 125,000; \$ per CHF					
Dec	1.0709	1.0746	1.0670	1.0680	-0.043
March	1.0814	1.0851	1.0776	1.0786	-0.042
Australian Dollar (CME) -AUD 100,000; \$ per AUD					

Food

	Latest	High	Low	Settle	Chg
Wheat, Spring 14% - pro Mnpls-u	11.5625				
Wheat, No. 2 soft red, S.Louis-u	7.1725				
Wheat - Hard - KC (USA) \$ per bu-u	9.1725				
Wheat, No. 1 soft white, Portld, OR-u	8.6500				
Beef, carcass equiv. index	238.04				
choice 1-3,600-900 lbs.-u	209.76				
select 1-3,600-900 lbs.-u	1,251.00				
Broilers, National comp wtd. avg.-u/w	2,700.00				
Butter, AA Chicago-d	187.00				
Cheddar cheese, blk, Chicago-d	206.00				
Cheddar cheese, blk, Chicago-d	135.75				
Milk, Nonfat dry, Chicago lb-d	1,609.3				
Coffee, Brazilian, Comp-y	2,167.9				
Coffee, Colombian, NY-y	4,655.0				
Eggs, large white, Chicago-u	21.45				
Floor, hard winter KC-p	0.88				
Hams, 17-20 lbs, Mid-US fob-u	83.11				
Hogs, Iowa-So. Minnesota-u	1,019.1				
Pork bellies, 12-14 lb Mid-US-u	155.00				
Pork loins, 13-19 lb Mid-US-u	194.25				
Steers, Tex.-Okla. Choice-u	155.00				
Steers, feeder, Okla. City-u/w	194.25				

Fats and Oils

	Latest	High	Low	Settle	Chg
Degummed corn oil, crude wtd. avg.-u	59.0000				
Grease, choice white, Chicago-u	0.6600				
Lard, Chicago-u	0.6486				
Soybean oil, crude; Cent'l IL-u/w	0.6750				
Tallow, bleed, Chicago-h	n.a.				
Tallow, white, Chicago-u	n.a.				

Fibers and Textiles

	Latest	High	Low	Settle	Chg
Burlap, 10-oz, 40-inch NY yd-n/w	0.7400				
Cotton, 1 1/16 std lw-m/Spns-u	0.8039				
Cotton, A Index-t	98.90				
Hides, hvv native steers piece fob-u	n.a.				
Wool, 64s, staple, Terr del-u/w	n.a.				

Grains and Feeds

	Latest	High	Low	Settle	Chg
Barley, top-quality Mnpls-u	n.a.				
Bran, wheat middlings, KC-u/w	253				
Corn, No. 2 yellow, Cent'l IL-bp-u	6,440.00				
Corn gluten feed, Midwest-u/w	203.4				
Corn gluten meal, Midwest-u/w	666.3				
Cottonseed meal-u/w	385				
Hominy feed, Cent'l IL-u/w	215				
Meat-bonemeal, 50% pro Mnpls-u/w	370				
Oats, No. 2 milling, Mnpls-u	4,257.5				
Rice, Long Grain Milled, No. 2 AR-u/w	36.13				
Sorghum, (Milo) No. 2 Gulf-u	n.a.				
Soybean Meal, Cent'l rail, ton 48%-u/w	479.60				
Soybeans, No. 1 yllw IL-bpu	14,450.00				

Iron Ore, 62% Fe CFR China-s

	Latest	High	Low	Settle	Chg
Iron Ore, 62% Fe CFR China-s	110.3				
Shredded Scrap, US Midwest-s, m	n.a.				
Steel, HRC USA, FOB Midwest Mill-s	660				

Iron Ore, 62% Fe CFR China-s

	Latest	High	Low	Settle	Chg
Iron Ore, 62% Fe CFR China-s	110.3				

Iron Ore, 62% Fe CFR China-s

	Latest	High	Low	Settle	Chg
Iron Ore, 62% Fe CFR China-s	110.3				

Iron Ore, 62% Fe CFR China-s

	Latest
--	--------

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.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1000 stocks including Disney, DocuSign, DollyLab, DollarGeneral, DollarTree, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1000 stocks including NextstarMedia, NextEraEnergy, RocketHub, ReynoldsCnsmr, RioTinto, 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.

Monday, December 12, 2022

Main table of stock prices for Monday, December 12, 2022. Columns: Stock, Sym, Close, Net Chg. Includes sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Monday, December 12, 2022

Main table of stock prices for Monday, December 12, 2022. Columns: Stock, Sym, Close, Net Chg. Includes sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Monday, December 12, 2022

Main table of stock prices for Monday, December 12, 2022. Columns: Stock, Sym, Close, Net Chg. Includes sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

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.

Monday, December 12, 2022

Table of New Highs and Lows for Monday, December 12, 2022. Columns: Stock, Sym, Hi/Low, % Chg. Includes sections for Highs and Lows.

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.

Monday, December 12, 2022

Table of New Highs and Lows for Monday, December 12, 2022. Columns: Stock, Sym, Hi/Low, % Chg. Includes sections for Highs and Lows.

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.

Monday, December 12, 2022

Table of New Highs and Lows for Monday, December 12, 2022. Columns: Stock, Sym, Hi/Low, % Chg. Includes sections for Highs and Lows.

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, ranked by assets

Table of Exchange-Traded Portfolios (ETFs) with columns: ETF, Symbol, Price, YTD, and Closing Price. Lists various ETFs like iShares, SPDR, Fidelity, etc.

FINANCE & MARKETS

STREETWISE | By James Mackintosh

Blackstone's BREIT Highlights Looming Risks of Private Funds



Top executives at Blackstone Inc. declared themselves baffled that so many individual investors want their money back from its giant private property fund, given its strong performance.

They shouldn't be surprised. The very design of the fund encourages investors to withdraw when they see others doing so. My worry is, those same incentives could hit other parts of the financial system as central banks pull back from easy money.

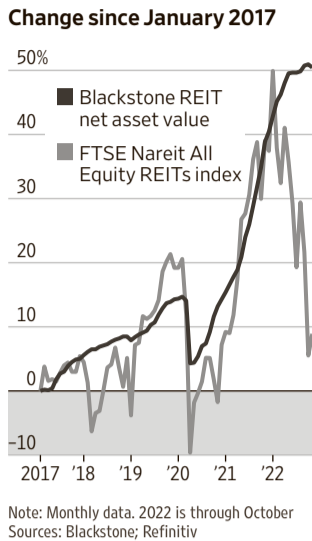
A slow-motion dash for cash is under way across the whole of finance as the Federal Reserve sucks liquidity out of the system. Most harmed will be those who piled into private assets without thinking about how much cash they might need.

The basic principle of the Blackstone Real Estate Income Trust, or BREIT, is that it took \$46 billion from ordinary investors, added debt and bought a bunch of property, mostly Sunbelt housing and warehouses. It was good at it, or perhaps lucky, and the value of the fund went up a lot, so it was very popular.

But this year mortgage rates soared and recession fears rose, and house prices began to come down. They have dropped only a bit so far, and not everywhere, but enough to make it less obvious to investors that they ought to be piling cash into a leveraged bet on property prices.

Blackstone isn't dumb, and it thought in advance about the possibility that one day people would want their money back. The contracts limit withdrawals from BREIT to 2% of the fund each month, or 5% a quarter, to avoid the need for fire sales of property. Now people want some of their money back, and the limits have kicked in.

The problem is that investors in BREIT now know that other investors in BREIT (and a similar fund, from



Note: Monthly data. 2022 is through October. Sources: Blackstone; Refinitiv

Starwood Capital Group, known as SREIT) are trying to withdraw. Just as with a bank run, an investor who thinks others will try to withdraw should get out first. Even those who think everything will soon calm down—and there are reasons to think it might—should still be concerned about the effects of others leaving.

It isn't just BREIT. Private credit funds became wildly popular over the past decade and mutual funds bought into private equity, part of increasingly creative attempts to make money in a world of zero interest rates. Some, which hold hard-to-trade assets and allow withdrawals, also are vulnerable to self-fulfilling fears about liquidity.

I see four areas of vulnerability in BREIT that could apply to other funds. Anyone who thinks they might need to cash in over the next year will withdraw earlier than planned. Investors who tried to pull out in November got only 43% of what they asked for, and in December the cap will limit withdrawals far more. The longer the cap is in place, the more people will need to join in.

Investors can buy much more cheaply in public markets. REITs listed on the stock market trade at a fat discount to the value of their holdings. Investors happy to



Blackstone chairman and Chief Executive Stephen Schwarzman.

hold REITs managed by others could sell BREIT at the still-elevated estimated value of its holdings and buy a listed REIT at less than the estimated value of its holdings.

BREIT borrows about \$1 for every \$1 of investor value, but as investors pull out, the proportion of its holdings financed by loans goes up. That is great when prices rise—one of the big reasons for investing in property is that it can use a lot of leverage—but if prices go down, more leverage amplifies losses.

Withdrawals make the fund less liquid. BREIT sits on \$9.3 billion of cash and bank facilities, so it won't have any problem repaying the investors who have asked to get out, and it is a long way from liquidity trouble. But if withdrawals continue, those who remain will be holding a fund with less and less cash, giving it less flexibility to snap up bargains in the markets or to satisfy future withdrawals.

The third and fourth problems can be delayed by Blackstone selling buildings, as it just did with its stake in the MGM Grand and Mandalay Bay casinos in Las Vegas, or converting the billions of dollars of other easy-to-sell assets into cash. Delay long enough and investors' concern may abate.

Hedge funds discovered all these problems in 2008,

when clients rushed for the exits. Their ventures into unlisted assets—often pre-IPO stocks, but some funds bought assets as exotic as African farmland and art—left many investors holding hastily-created "side pockets" full of unsalable stuff from their funds. Others simply refused to allow withdrawals to avoid penalizing investors who remained.

Blackstone says withdrawals from BREIT have come primarily from overseas investors, particularly in Asia, who chairman and CEO Stephen Schwarzman suggested were hit by margin calls when Hong Kong stocks plunged. These are exactly the sort of people one doesn't want to invest alongside because they will become forced sellers when markets are falling.

Ultimately it is a confidence game. If you think others have lost faith, it makes sense to pull out, too. This is why Blackstone is going out of its way to point out all the good things about BREIT—which this year includes a cool \$5.1 billion made on interest-rate derivatives.

"Our business is built on performance, not fund flows, and performance is rock solid," Blackstone said.

The problem Blackstone and its peers have is that in a world increasingly demanding liquidity, it is selling illiquidity.

Stock and Bond Bets Diverge

Continued from page B1 but that seems to have shifted," Mr. Antonelli said.

When a looming economic slowdown clouds the outlook for stocks, investors often buy bonds for their relative safety and stability. But for most of this year, stocks and bonds suffered in tandem because inflation required the Fed to raise interest rates rapidly. Rates rose with little sign of damage to economic growth, hurting stocks and bonds alike.

More recently, however, longer-term Treasury notes have marked bigger price gains than shorter-term notes, suggesting that traders think the Fed's target rate could continue to climb before a recession forces the central bank to change course rapidly later next year, said Matt Toms, global chief investment officer at Voya Investment Management. That has deepened the yield-curve inversion that many on Wall Street take as an omen of a recession.

Market-based inflation forecasts provide more evidence of recession fears. Traders' expectations for the annual inflation rate over the next two, five and 10 years are all close to about 2.3%, nearly in line with the Fed's 2% target, data from Tradeweb show. The fact that stocks have fallen even though investors aren't worried that inflation will soar in the future is a sign that their concerns about economic growth are driving the declines, Mr. Toms said.

Through November, the job market has remained tight by historical standards and there is little sign that consumer demand has plummeted. Still, a

wave of corporate layoffs is accelerating, especially among tech companies that expanded rapidly during the pandemic. Wall Street's forecast for S&P 500 companies' 2023 profit fell by 3.6% between Sept. 30 and Nov. 30 as investors evaluated how businesses fared in this year's third quarter, according to research by John Butters, an analyst at FactSet.

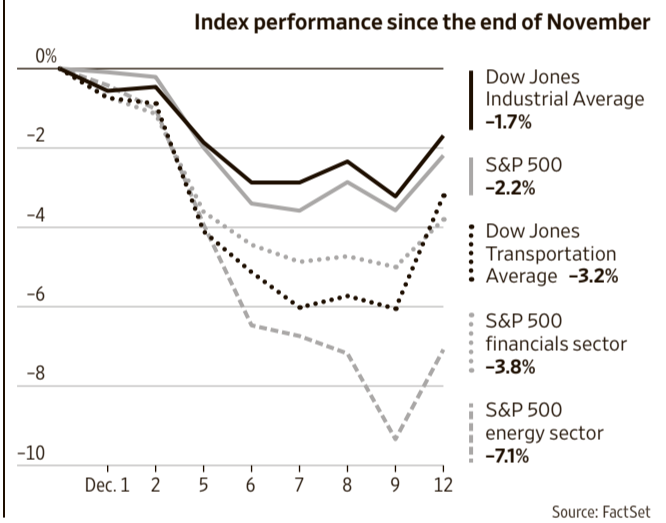
Mark Haeefe, chief investment officer for global wealth management at UBS, wrote in a note to clients last week that stock prices still haven't fallen enough this year to reflect the possibility of a deep economic downturn.

A short stock rally that carried through October and November briefly lifted prices, but now, convergence between the stock and bond markets "is more likely to be led by equities pricing in a deteriorating earnings outlook," Mr. Haeefe wrote.

That said, some economically sensitive shares have held up. Deere & Co.'s stock has bested broader indexes in December so far, falling 0.9%. Paint company Sherwin-Williams Co. has risen 1.9% this month.

Pivotal economic data this week will help investors gauge the outlook. Tuesday morning, investors will be watching the release of November's consumer-price data for signs that inflation has continued to cool. Economists polled by The Wall Street Journal are expecting the figures to show a 7.3% year-over-year rise in prices, down from 7.7% a month earlier.

Then, Wednesday afternoon will bring the Fed's latest decision on interest rates. Traders are confident that the central bank will ease the pace of its tightening by raising rates by half a percentage point, according to CME's FedWatch tool, but they will be paying close attention to Fed officials' projections about how rates are likely to move next year.



Small Banks Warn They Might Have to Drop Zelle

By IMANI MOISE

Community banks and credit unions might drop out of partnerships with instant-payment apps like Zelle if required to reimburse customers who fall victim to scams, two industry trade groups said.

Facing pressure from lawmakers and regulators to do more to protect customers from fraud, the seven large banks that own Zelle are working on a plan to standardize refunds for customers duped into sending money.

Scams using instant-payment apps like Zelle, Venmo and CashApp are expected to cost Americans \$3 billion by 2026, up from \$1.6 billion in 2021, according to a recent report by ACI Worldwide, a payments-software company.

Zelle, which is owned by JPMorgan Chase & Co., Bank of America Corp., Wells Fargo & Co., U.S. Bancorp, Capital One Financial Corp., PNC Fi-

ancial Services Group and Truist Financial, allows customers to make free instant payments between individual bank accounts. Customers can send money from their bank accounts to others in real time, but there is no way to reverse payments when transactions go wrong.

Putting financial institutions on the hook to repay scammed customers will disproportionately affect smaller banks, which operate with thinner margins compared with the large banks that own Zelle, said Rebecca Kruse, chief operating officer at ICBA Bancard, a subsidiary of the Independent Community Bankers of America, a trade association representing roughly 5,000 community banks.

"When utilizing Zelle and other [peer-to-peer] applications, community banks have little room or ability to customize the applications, including fraud warnings and

alerts to end users," she said. The new proposed playbook "may threaten their ability to offer these services."

Early Warning Services, the company that runs Zelle, said fraud and scam payments represent less than 0.1% of payments across the network, which processed 1.8 billion transactions worth more than \$490 billion last year.

Credit unions and banks with less than \$10 billion in assets make up more than 90% of signed financial institutions on the Zelle network, said Meghan Flintland, a spokeswoman for EWS.

"Customers who started using Zelle increased year-over-year profit [for financial institutions] by an average of \$24 more than non-Zelle users," she said.

Instant payments on apps such as Zelle differ from credit-card transactions, which carry fees that can be used to offset the losses from fraud. Card payments and trans-

ferential bank transfers can also take up to three days to be completed, making them easier to reverse.

Zelle transfers are free and instant, allowing scammers to withdraw or convert the money into cryptocurrencies, making the funds harder to recoup.

Customers can send money from their bank accounts to others in real time.

More banks have signed onto the Zelle network in recent years in response to demand from consumers who wanted access to fast and free payments. As of December, there were nearly 2,400 financial institutions on the network, up from 766 in early 2020.

More than two-thirds of community banks and credit unions reported that customers had asked for access to Zelle, according to a 2020 study by Aite Group, a financial-services consulting firm.

"Some institutions may pull away from partnerships like the ones with Zelle or not offer as many products and services because of the expense that they will anticipate taking on," said Greg Mesack, senior vice president of government affairs at the National Association of Federally-Insured Credit Unions, a trade association representing credit unions and the more than 130 million customers they serve.

Financial institutions are required by law to reimburse customers for payments they didn't authorize if a bad actor takes control of their account. No such requirement exists for customers who are tricked into making payments under false pretenses, a growing

problem on instant-payment apps like Zelle that has caught the attention of prominent lawmakers like Sen. Elizabeth Warren.

Any policy that requires banks to reimburse customers for scams could result in steep losses for the banks, said Cleber Martins, head of payments intelligence and risk solutions at ACI Worldwide.

When Zelle launched in 2017, banks pitched it to consumers as a way to instantly transfer money to friends and family, and to investors as a powerful tool that would ultimately help them reduce the costs of processing checks. However, if regulators mandate they cover the cost of scams, it is unclear if the service will be cost effective for all banks in the long run, even if it reduces transaction costs for consumers and businesses, Mr. Martins said.

"The consumer is trying to get paid back, but there's no revenue stream," he said.

Mutual Funds

Data provided by LIPPER

Top 250 mutual-fund listings for Nasdaq-published share classes by net assets. e-Ex-dividend. f-Previous day's quotation. g-Footnotes x and s apply. j-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply. 12b-1-R Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper; data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Table with columns for Fund, NAV, YTD Chg, %Ret, and Net YTD Chg %Ret. Lists various mutual funds like American Century Inv, Ultra, and others.

Table with columns for Fund, NAV, YTD Chg, %Ret, and Net YTD Chg %Ret. Lists various mutual funds like Fidelity, Fidelity, and others.

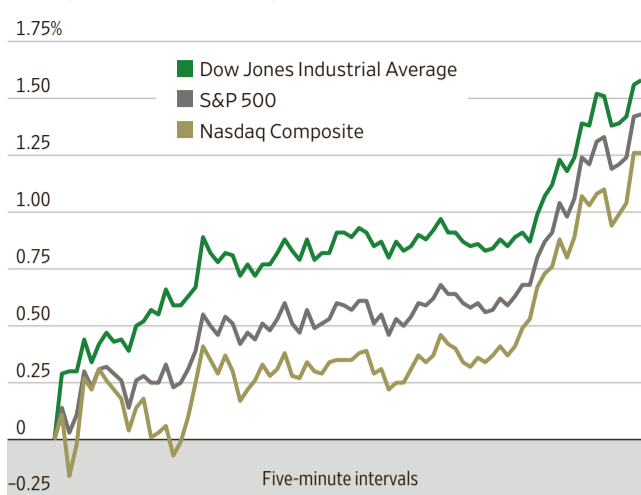
Table with columns for Fund, NAV, YTD Chg, %Ret, and Net YTD Chg %Ret. Lists various mutual funds like Fidelity, Fidelity, and others.

Table with columns for Fund, NAV, YTD Chg, %Ret, and Net YTD Chg %Ret. Lists various mutual funds like Fidelity, Fidelity, and others.

Table with columns for Fund, NAV, YTD Chg, %Ret, and Net YTD Chg %Ret. Lists various mutual funds like Fidelity, Fidelity, and others.

MARKETS

Index performance Monday



Source: FactSet

Stocks Move Higher

Continued from page B1 mean the backdrop for bonds is supportive, said Charles Diebel, head of fixed income at Mediolanum International Funds.

“There’s been a sea change in terms of the underlying sentiment and primarily that has been driven by the improvement in the CPI numbers turning south,” said Mr. Diebel. “Given how jumpy the market has been, a disappointment in the CPI reading will get a big negative reaction.”

MONDAYS MARKETS

In commodity markets, the U.S. crude oil benchmark rose 3% to settle at \$73.17 a barrel, bouncing back after six sessions of losses. Crude settled at its lowest level of the year on Friday.

The rebound boosted energy stocks. Shares of **Valero Energy** rose \$6.01, or 5.2%, to \$120.66, making it the S&P 500’s best performer on Monday. **APA** rose \$2.05, or 4.9%, to \$43.91. **Schlumberger** jumped \$2.13, or 4.5%, to \$49.10.

Tesla, one of the biggest decliners this year, shed

\$11.23, or 6.3%, to \$167.82. Overseas stock indexes fell. The pan-continental Stoxx Europe 600 edged down 0.5%. Early Tuesday, Asian equities were mostly higher. Japan’s Nikkei 225 was up 0.4%, Hong Kong’s Hang Seng Index was up 1.2%, the Shanghai Composite Index was up 0.1% and South Korea’s Kospi was up 0.2%. S&P 500 futures fell 0.1%.

AUCTION RESULTS

Here are the results of Monday’s Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$140,361,093,500	\$123,725,080,300
Accepted bids	\$58,686,117,500	\$48,905,110,300
* noncomp	\$1,620,181,800	\$1,765,531,300
* foreign noncomp	\$400,000,000	\$215,300,000
Auction price (rate)	98.920639 (4.270%)	97.659278 (4.630%)
Bids at clearing yield accepted	11.44%	10.60%
	912796Y17	912796K53

Both issues are dated Dec. 15, 2022. The 13-week bills mature on March 16, 2023; the 26-week bills mature on June 15, 2023.

THREE-YEAR NOTES

Applications	\$102,056,647,800
Accepted bids	\$40,000,047,800
* noncompetitively	\$254,247,800
* foreign noncompetitively	\$200,000,000
Auction price (rate)	99.739942 (4.093%)
Interest rate	4.000%
Bids at clearing yield accepted	7.68%
Cusip number	91282CGA3

The notes, dated Dec. 15, 2022, mature on Dec. 15, 2025.

NINE-YEAR, 11-MONTH NOTES

Applications	\$73,992,914,400
Accepted bids	\$32,000,004,400
* noncompetitively	\$47,344,400
* foreign noncompetitively	\$0
Auction price (rate)	104.129208 (3.625%)
Interest rate	4.125%
Bids at clearing yield accepted	16.09%
Cusip number	91282CFV8

The notes, dated Dec. 15, 2022, mature on Nov. 15, 2032.

Some Investors Pull Money Out of Wood’s ARK Fund

Drops in stock prices of big holdings like Tesla, Zoom, Exact Sciences hit ETF

By JACK PITCHER

Investors who bought the dip in Cathie Wood’s **ARK Innovation** exchange-traded fund have been punished this year. Some finally appear to be losing their conviction.

Shares of the fund, a pandemic-era favorite largely made up of unprofitable, growth-oriented technology companies, are down 63% this year. While the S&P 500 index has rallied 12% since mid-October to cut its 2022 losses to 16%, Ms. Wood’s flagship fund is hovering near a five-year low.

Investors heeding a “buy the dip” rallying cry poured money into the fund in each of the first five months of the year—a net \$1.89 billion—as markets tumbled. Since then, their enthusiasm has waned. They pulled money in three of the next six months, or a net \$76.5 million, according to FactSet. On Nov. 30 alone, they yanked \$146 million, which was among the largest single-day outflows of the year.

Investors have bailed out of growth stocks and other speculative assets en masse this year. In a rising yield environment in which they suddenly have options for earning returns with little risk, many are losing their appetite for money-losing companies promising the chance of returns in the future.

The three largest holdings in the fund—which is known by its ticker symbol ARKK—are **Zoom Video Communications Inc.**, **Tesla Inc.** and **Exact Sciences Corp.**, companies Ms. Wood has said have the potential to change the world.



Cathie Wood stands by her technology investments. She has also been a proponent of bitcoin.

Shares of Zoom and Tesla have lost about half their value this year, while Exact Sciences, an unprofitable provider of cancer screening and diagnostics tools, is down 42%. Ms. Wood has also been a proponent of bitcoin, which has fallen about 75% from its November 2021 peak.

Similar bets netted huge rewards in the low-rate environment of 2020 and 2021. ARKK shares more than doubled in 2020 before worries about inflation—and the prospect of higher rates—stalled their advance.

“The bet was that free money would last indefinitely, and there doesn’t seem to have been a risk-management game plan,” said Jon Burckett-St. Laurent, senior portfolio manager at Exencial Wealth Advisors.

For her part, Ms. Wood continues to shrug off the critics and stand by her investments. She tweeted recently that companies in her

fund are “sacrificing short-term profitability for exponential and highly profitable long term growth.” During a Bloomberg Television interview in November, she predicted the price of bitcoin will hit \$1 million by 2030, a roughly 6,000% increase from current levels.

Cathie Wood has been adding to riskier positions in recent weeks,

Ms. Wood has called for Zoom, ARKK’s largest holding, to approach \$1,500 a share in 2026, based in part on expectations of a worker backlash against returning to offices. Her bear case is for shares to trade at \$700. They closed Monday at \$73.69.

Through a spokeswoman,

Ms. Wood declined to comment.

While many on Wall Street are cutting risk and bracing for a recession, Ms. Wood has been adding to riskier positions in recent weeks, buying more shares of cryptocurrency exchange **Coinbase Global Inc.** and a bitcoin futures ETF.

ARKK added 931,000 shares of Coinbase valued at roughly \$43 million in November, according to FactSet. ARKK is the second-largest holder of Coinbase shares, which are down 84% year to date. Another of Ms. Wood’s funds, the **ARK Next Generation Internet ETF**, increased its exposure to bitcoin with the purchase of 608,000 shares of the **Grayscale Bitcoin Trust**, worth \$6 million. GBTC trust shares are down 77% this year.

Some investors say Ms. Wood’s fund still doesn’t look cheap, even after its sharp share-price declines.

ADVERTISEMENT

HELP WANTED

QUALIFICATIONS: Expertise in adolescent psychology and addiction medicine. Skills in communication and conflict resolution.

HOURS: Let’s call them “unpredictable”

PAY: \$0/Hr.

Apply Today -The need is urgent and there’s only one truly qualified candidate: You.

Helping a loved one with an addiction can be a full-time job. You never asked for it, but you may be the only person truly qualified for the position. And we’re here to prepare you for this job, providing not only help, but hope.

Visit drugfree.org to get started.

