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REVIEW



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What's News

World-Wide

Four leading Chinese solar-cell manufacturers circumvented U.S. tariffs by routing some of their operations through Southeast Asia, an investigation by the Commerce Department found. **A1**

◆ **A key panel backed** a plan put forward by Biden to allow South Carolina to host the first Democratic presidential primary in 2024, followed by Nevada and New Hampshire on the same day, Georgia and then Michigan. **A1**

◆ **The G-7 agreed** to cap the price of Russian crude oil at \$60 a barrel, moving forward with an unprecedented sanction on one of the world's largest oil producers months after its invasion of Ukraine. **A8**

◆ **The Kremlin rejected** Biden's conditions for negotiations concerning Ukraine with Putin, insisting that Moscow's military campaign would continue. **A9**

◆ **The Biden administration** is thinking about reviving a Trump administration policy to significantly limit who can claim asylum after crossing the border illegally. **A3**

◆ **Nearly a week** after protests exploded across China over the country's zero-tolerance Covid controls, Chinese authorities have restored a tense calm to the streets. **A10**

Business & Finance

◆ **The U.S. labor market** remains historically tight, with many employers competing for a limited pool of workers and bidding up wages despite an uncertain economic outlook. The economy added 263,000 jobs in November, the Labor Department said. **A1**

◆ **The strong jobs report** keeps the Fed on track to raise rates by a half percentage point at its next meeting and underscores the risk that officials will raise rates above 5% in the first half of 2023. **A6**

◆ **Major U.S. stock indexes** ended mixed, with the S&P 500 and Nasdaq slipping 0.1% and 0.2%, respectively, and the Dow industrials eking out a gain of 0.1%. **B1**

◆ **Biden signed** legislation to prevent a nationwide strike by railroad workers, the last step in resolving a long-running dispute between workers and major freight railroads. **A4**

◆ **United Airlines is close** to a deal to order dozens of Boeing's 787 Dreamliners, people familiar with the matter said. **A12**

◆ **The Biden administration** said it would investigate recent hacks that have been linked to an extortion-focused hacking collective known as Lapsus\$. **A2**

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Psychos in
The C-Suite **A17**

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Ukrainians Face Wrath of Russia, Winter



EMBATTLED: A local resident pushes a cart with firewood in Bakhmut, a key city on the front line in eastern Ukraine that Russian forces are trying to seize. As Russia targets the country's energy grid, Kyiv is running out of vital parts needed to repair the network. **A8, A9**

Chinese Solar Companies Dodged U.S. Import Tariffs

By YUKA HAYASHI

WASHINGTON—Four leading Chinese solar-cell manufacturers circumvented U.S. tariffs by routing some of their operations through Southeast Asia, a Commerce Department investigation found.

The preliminary findings from the closely watched probe—disclosed Friday—are likely to accelerate importers' race to find alternative sources either domestically or from other places abroad to meet soaring demand for solar panels.

The investigation began in March and prompted uncertainty over solar-parts imports, leading to the cancella-

tion of solar projects across the U.S. and intervention by President Biden to ease pressure on the industry.

When the investigation began, Chinese Foreign Ministry spokesman Wang Wenbin said Beijing would take "all necessary measures to uphold the rights and interests" of Chinese companies. He noted that the U.S.'s "protectionism" would "disrupt and undermine" the stability of global supply chains and cooperation on climate change.

The outcome of the probe won't lead to immediate increases in solar tariffs because in June the president implemented a two-year suspension

of duties to give importers time to make adjustments. The suspension applies to solar imports from the four countries covered by the investigation: Cambodia, Thailand, Vietnam and Malaysia.

But the Solar Energy Industries Association, a trade group for the U.S. solar industry, said the Commerce Department has touched off supply-chain disruption that won't be resolved by the time the tariff suspension ends.

The probe and its findings "will strand billions of dollars' worth of American clean energy investments and result in the significant loss of good-

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Stiff Demand Drives Gains In Jobs, Wages

By SARAH CHANEY CAMBON

The U.S. labor market remains historically tight, with many employers competing for a limited pool of workers and bidding up wages despite an uncertain economic outlook.

Employers added 263,000 jobs in November, holding near the strong gains of the previous three months, when they averaged 282,000 a month, the Labor Department said Friday. Job growth has slowed from the first half of the year and continues to well exceed its 2019 prepandemic pace, though some large corporations have recently announced layoffs.

The jobless rate remained

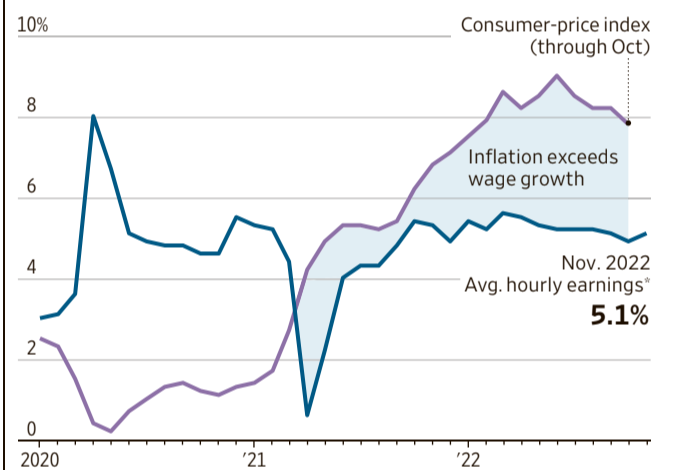
at 3.7% last month, a historically low level that is pushing up wages. Average hourly earnings grew 5.1% in November from a year earlier, holding above the prepandemic pace of roughly 3%. One reason employers might continue to raise pay briskly: Labor force participation, or the share of adults working or seeking a job, remains below prepandemic levels and ticked down last month.

The stronger-than-expected report initially weighed on stock prices because it cast doubt on how quickly the Federal Reserve would be able to

Please turn to page A6

◆ **Fed remains on track** for a half-point rate increase..... **A6**

Wages vs. inflation, change from a year earlier



*For all private workers. October and November 2022 wages are preliminary. Note: Seasonally adjusted Source: Labor Department

EXCHANGE



APPLE'S CHINA PLAN
After Covid lockdowns and worker unrest, the tech giant looks elsewhere. **B1**

Boeing Lobbies For Time On MAX

By ANDREW TANGEL

One of Boeing Co.'s biggest engineering challenges has morphed into a political problem—and the company is running out of time to get help from the current Congress.

The plane maker's executives and lobbyists are racing to persuade federal lawmakers to lift a Dec. 27 deadline set by Congress two years ago as part of a law aimed at making future airplanes safer. The law, enacted in the wake of two deadly crashes of Boeing's 737 MAX, requires new aircraft to feature modern cockpit-alerting systems to help pilots resolve emergencies.

The stakes are high. Carriers including United Airlines Holdings Inc., Delta Air Lines Inc. and Southwest Airlines Co. are banking on the new 737 MAX models to expand their flight networks and reduce fuel costs. Separately, United is close to a deal to order dozens of its 787 Dreamliners, people familiar with the matter said, a deal that would be worth billions of dollars. Boeing has resumed deliveries of the Dreamliner after a nearly two-year freeze.

Two years ago, Boeing executives thought they had ample time to secure regulatory approval for two new versions of the 737, the shorter MAX 7 and longer MAX 10, people familiar with the matter said. They thought that they could win Federal Aviation Administration certification without

Please turn to page A12

◆ **United nears a deal** to order dozens of Dreamliners..... **A12**

Hundreds of Yeti Coolers Wash Ashore

A freighter spill launched a load of floating freebies

By JOHN CLARKE

Kathy Peavey runs a whale-watching tour business and knows the local seas as well as anybody in her coastal city of Craig, Alaska.

When Ms. Peavey heard last fall about a freighter losing shipping containers in rough waters off the coast of British Columbia, the longtime beachcomber knew by experience that cargo would likely drift her way.

"Your radar goes up, and you wonder, 'Oh, my God,'" *Please turn to page A13*

Democrats' Calendar for 2024 Is Set To Shuffle

By KEN THOMAS AND JOHN MCCORMICK

WASHINGTON—Democrats moved Friday toward the most significant changes in their presidential nominating process in nearly two decades after a key committee backed a plan put forward by President Biden to allow South Carolina to host the first 2024 primary, followed by Nevada and New Hampshire on the same day, Georgia and then Michigan.

The change would dramatically decrease the influence of Iowa, which has held the first nominating contest for five decades, while elevating the role of several states that are typi-

Please turn to page A4

Putin Friend Sells War to the Public

Billionaire Yuri Kovalchuk is helping tighten the Kremlin's grip on the internet

One of the most influential voices bolstering Vladimir Putin's decision to invade Ukraine belongs to a 71-year-old billionaire who argued that a war could prove Russia's strength.

By Betsy McKay, Thomas Grove and Rob Barry

Yuri Kovalchuk, for decades a close friend of the Russian leader, shares Mr. Putin's vision of Russia as a powerful military and cultural counterpoint to the U.S., people who know him say. The billionaire and Mr.

Putin have met frequently since the start of the war in February, and also talk by phone or video, according to a friend of the Kovalchuk family as well as to a former Russian intelligence official.

Mr. Putin has long relied on an inner circle of trusted allies to run businesses in the most critical sectors of the Russian economy. Mr. Kovalchuk stands out both for his personal relationship with the president and for his role in shaping public opinion, according to financial and court documents and interviews with former *Please turn to page A13*

U.S. NEWS

THE NUMBERS | By Josh Zumbrun

'What's Your Gender?' Tests Data Gathering



Right now, pollsters, academics, statisticians—anyone who cares about gathering good data—are finding that one of the trickiest questions to get right is this: "What's your gender?"

A growing portion of the population doesn't identify as male or female. Though researchers are debating how best to measure the transgender or nonbinary populations, recent surveys have found 1% to 2% of the overall population identifies with the terms. As recently as 2017, an analysis of the limited surveying to that date had estimated 0.4%. Adults under 30 are especially likely to say they're transgender—as high as 3% to 5% in recent surveys from Gallup Inc. and the Pew Research Center.

But with many surveys only giving the options of male or female, such individuals might answer incorrectly, or not at all. That means the data might be inaccurate, and those individuals' needs go underserved.

Alexis Dinno, a professor at the OHSU-PSU School of Public Health in Portland, Ore., gives an example of the potential impact of such data holes: "I'm an epidemiologist, I'm an epidemiology professor who is transgender, and I cannot tell you what the top cause of death among the

transgender population is, or what the major burden of disease is, because historically we have not asked."

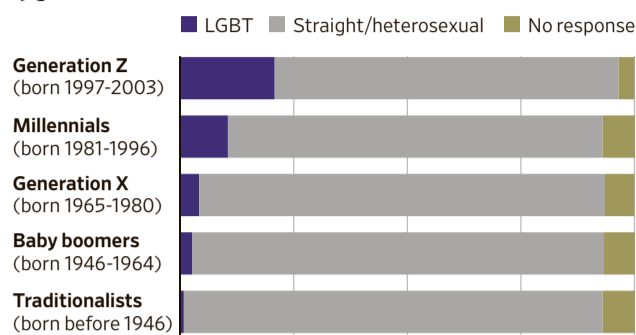
One challenge is that a large share of the population doesn't agree other options should even be provided. In 2018, the Pew Research Center asked in a survey whether forms should include options other than "man" and "woman" for people who don't identify as either. A majority of respondents, 56%, said forms shouldn't include other options; 42% said other options should be included.

The people who design surveys and work with their data say that revising the gender question isn't intended to express a view on whether people's opinions or identities are right or wrong, but merely to accurately measure the population.

"We didn't want to exclude anybody who is nonbinary," said Ashley Amaya, a senior survey methodologist at the Pew Research Center. "And we also don't want to exclude folks who don't believe gender is a social construct."

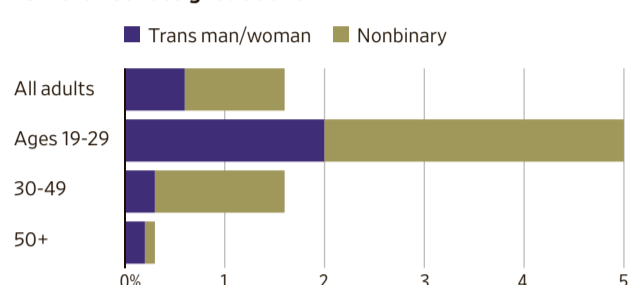
Part of what makes questions about gender identity so difficult is that they are being asked amid shifting social norms and deeply held convictions. Historically many people, and thus many surveys, have used sex and gender interchangeably. More recently, though, sex has come to re-

Percentage of Americans who self-identify as LGBT, by generation



Source: Combined results of 13 separate Gallup telephone polls of 12,416 U.S. adults conducted between January and December 2021; margin of error: +/- 1 percentage point

Percentage of U.S. adults who say their gender is different from their sex assigned at birth



Note: Trans men are those who said they were assigned female at birth and described their gender as male. Trans women are those who said they were assigned male at birth and described their gender as female. Source: Pew Research Center survey of U.S. adults conducted May 16-22, 2022

fer to biological traits such as anatomy and chromosomes, while gender commonly refers to the social roles filled by men and women. Whether biological sex or gender is the more relevant trait might depend on what is being studied. Figuring out how to

change the surveys, however, is no easy task.

Another challenge is what terminology to use. Because many survey respondents don't distinguish between sex and gender, researchers have sought other ways to ask their questions. Since 2020, Pew has set-

led on the question, "Do you describe yourself as a man, a woman, or in some other way?" in its regular surveys. The Gallup polling organization asks whether people are male, female or nonbinary. In occasional surveys, Pew and Gallup have also sometimes asked more detailed questions about views and attitudes regarding transgender or nonbinary populations.

The National Crime Victimization Survey, one of the first government surveys to ask a question on gender identity, beginning in 2016, asked whether people are male, female or transgender.

The General Social Survey in 2018 also included the option of "a gender not listed here" and allowed respondents to give a free-text response.

No measure is perfect. For example, some people identified as male on their birth certificates might now describe themselves as female, rather than transgender, though this generally fits most definitions of transgender. Some people consider themselves nonbinary but not necessarily transgender.

Ms. Amaya of Pew notes that many Americans still don't know what the term transgender means, and that this is especially challenging in Spanish-language polling. When given free-form options, some people respond

with protest responses such as "none of your damn business" that throw off data if such an answer is tabulated as a type of transgender.

Familiarity with the terms is growing along with the number of people who don't identify as male or female. Polling from Gallup and Pew shows a significant generational gap. When measuring overall lesbian, gay, bisexual and transgender identification, the generation gap is even larger.

Aliya Saperstein, a professor of sociology at Stanford, says a consensus is growing that the best approach is a two-question approach. For example, in 2021 the Census Bureau's experimental Household Pulse Survey asked two questions: "What sex were you assigned at birth on your original birth certificate?" and then, "Do you currently describe yourself as male, female or transgender?"

The approach has the added benefit of both reflecting the assessment of biological sex at birth and the gender identity people hold as adults. Dr. Saperstein said the two-step question could change, too. Some people object to being asked about their birth certificate. But, she said, that isn't a reason not to ask these questions. Offering just two choices "collapses all sorts of important differences about people's bodies and identities and how they live in the world," she said.

U.S. to Probe Cyber Hacking Group Lapsus\$

By DUSTIN VOLZ

WASHINGTON—The Biden administration said it would investigate recent hacks linked to an extortion-focused hacking collective known as Lapsus\$ that over the past year has victimized some of the world's biggest technology companies and broken into critical infrastructure systems.

The U.S. Cyber Safety Review Board, a panel of experts from various government agencies and the private sector, will examine the group's recent high-profile hacks, which researchers say have sometimes included extortion demands but at other times seem motivated by a desire for notoriety.

The board on Friday didn't identify specific hacks it would probe, but high-profile victims include Uber Technologies Inc., chip maker Nvidia Corp., Microsoft Corp., online access-management vendor Okta Inc., Samsung Electron-

ics Co. and others, according to the companies.

"Lapsus\$ has targeted some of the most sophisticated companies on the planet," said Robert Silvers, chair of the board and undersecretary for policy at the Department of Homeland Security, which oversees the board's activities. "As a unified effort between government and industry, we will advise on how to repel and respond to these types of cyber-enabled extortion attacks."

Lapsus\$ is an amorphous team that hides behind anonymous online aliases, but members of the group have left enough digital breadcrumbs that some of them have been identified by law enforcement and private researchers. The group likely includes members from Brazil and the U.K.—several of them teenagers—according to security researchers and law-enforcement officials. Some members have been arrested.

In its short life, Lapsus\$ has developed a set of techniques that have proven to be devastatingly effective at breaking into the networks of global tech firms that spend millions annually on cybersecurity. The group has often relied on bypassing commonly used security tools popular

High-profile victims include Uber, Nvidia, Microsoft, Okta and Samsung.

across industries to breach a range of networks, exposing overlooked security gaps in interwoven software ecosystems.

Some of its hacks have proven to be more of a nuisance than a debilitating breach. In the case of Uber, the company said Lapsus\$ gained access to its internal

systems and posted messages, including a graphic image, to employees.

But the intrusions have at times been alarming. Samsung, Nvidia and Microsoft all said the group stole source code or proprietary information from them, according to statements released by the companies in March.

The board, which has no regulatory authority and doesn't have the power to issue fines, was formed by the Biden administration this year and is designed to review significant national cybersecurity events that affect government, business and critical infrastructure.

The cyber board published its first report on the Log4J bug in July, concluding that a major flaw in the widely used logging software was an "endemic vulnerability" that could persist for more than a decade as an avenue for hackers to infiltrate networks.

In a media briefing, Mr. Silvers said the board wanted to

move quickly to finish its review of the Lapsus\$ criminal group but didn't offer a timeline for when it would complete the report.

"Lapsus\$ actors have perpetrated damaging intrusions against multiple critical infrastructure sectors, including healthcare, government facilities and critical manufacturing," said Jen Easterly, director of the Cybersecurity and Infrastructure Security Agency.

CORRECTIONS & AMPLIFICATIONS

The last name of Leonid Remiga, a physician in Ukraine, was misspelled as Regima in one instance in a Nov. 26 Review article about Tropinka Hospital in Ukraine.

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U.S. NEWS

Flu, RSV Cases Surging Among Children

Hospitalization for respiratory syncytial virus outpacing Covid cases, CDC data show

By BRIANNA ABBOTT

After two years in the background, RSV and the flu have roared to the fore in pediatricians' offices and children's hospitals across the country.

Pediatric hospitals have been strained for weeks by an early surge in common seasonal pathogens including respiratory syncytial virus, or RSV. Hospitalizations for RSV among kids under 5 are outpacing those for Covid-19, CDC data show. Public-health experts said the crush of patients is likely due in part to a larger pool of susceptible children compared with prior seasons, giving the virus more room to spread as people mingle indoors.

"We're seeing really unprecedented levels of hospitalizations for this time of year," said Fiona Havers, who is a lead official in tracking RSV at the Centers for Disease Control and Prevention.

The CDC estimates that at least 8.7 million flu cases,

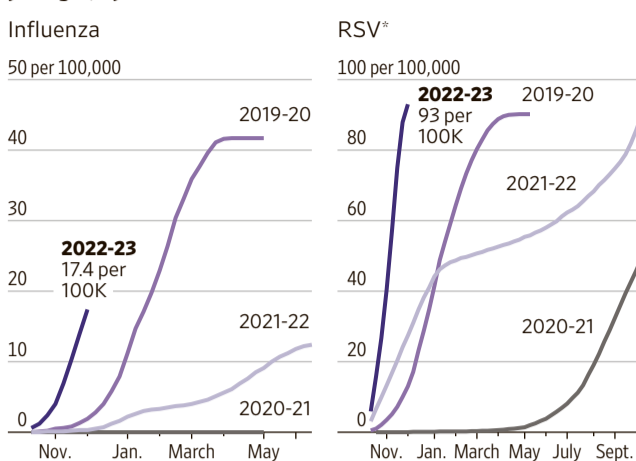
78,000 hospitalizations and 4,500 deaths have occurred this season including 14 pediatric deaths. Flu-related hospitalizations are at the highest rate for this time of year in a decade, the CDC said. The agency started collecting that data in a 14-state surveillance network starting in 2003 for children and 2005 for adults.

There were also some 1.7 RSV-related hospitalizations for every 100,000 people for the week ended Nov. 26 within the CDC's 12-state RSV surveillance network, a drop from 4.8 hospitalizations per 100,000 two weeks ago. The CDC said that the decline is likely due to a reporting lag because of the high surge volume and the Thanksgiving holiday.

There are other signs RSV cases might have peaked in parts of the U.S., including a decline in reported cases from some laboratories, but Dr. Havers said that it is too early to say whether the virus is in decline for the season.

The CDC's RSV hospitalization network started collecting data in 2014 for adults and 2018 for children, and the agency doesn't track RSV deaths in real time. An increase in testing for RSV in recent years, particularly among

Cumulative hospitalizations per 100,000 children age 17 and younger, by season



*Respiratory Syncytial Virus
Note: Rates within the CDC's surveillance networks, which do not include all states.
Source: Centers for Disease Control and Prevention

adults, might have pushed up reported hospitalization rates, Dr. Havers said.

But Dr. Havers and other public-health experts said changes wrought by the Covid-19 pandemic are most likely driving the unusually early surge. Covid-19 mitigation measures including masking and distancing appeared to have had a marked effect on the circulation of other viruses, suppressing their spread and throwing them off

their seasonal pattern. That likely left lower levels of immunity in the population.

"It reflects the pool of children who hadn't experienced their first RSV season," said Maria Asuncion Mejias, a principal investigator in the Center for Vaccines and Immunity at the Research Institute at Nationwide Children's Hospital. "They're kind of catching up."

That doesn't mean people's immune systems got weaker during the pandemic, doctors

said. "They just weren't exposed," said Jason Catanzaro, a pediatric allergist and immunologist at National Jewish Health. "You develop pathogen-specific memory, and a lot of kids are developing those memory responses now."

The widespread circulation of Covid-19 might also have helped suppress the spread of flu or RSV in past seasons, a phenomenon that some public-health experts call viral interference. Parts of the U.S. where pandemic precautions such as masking were less common last year are also experiencing high levels of RSV and flu infection now, data show.

Both viruses also rebounded in 2021 to some degree, according to CDC data. An infection with one virus might make a person more vulnerable to the next pathogen, doctors said, and viral co-infections can lead to worse outcomes.

The virus that causes Covid-19 has circulated at a relatively stable level for several weeks, leading to an average of 4,200 daily hospitalizations the week ended Nov. 29 and around 250 daily deaths, CDC data show. Health officials and experts have said

built-up protection from vaccines and earlier infections might help hold off a major winter surge but they anticipate some increase in the coming weeks.

Within the CDC's Covid-19 hospitalization surveillance network, the hospitalization rate among kids under the age of 5 was about 2 per 100,000 the week ended Nov. 26, federal data show. In the RSV network, the hospitalization rate for that age group was 18 per 100,000, CDC data show. The flu hospitalization rate was about 6 per 100,000 kids under age 5 in the week ended Nov. 26, according to the CDC's flu surveillance network.

Health officials recommend that people stay updated on Covid-19 and flu shots, stay home if sick, frequently wash their hands, consider wearing masks and get tested early. There isn't an approved RSV vaccine available in the U.S., but several candidates are in trials.

Older adults and infants, especially those under 6 months old, are at the highest risk for severe infections with RSV, a common virus that nearly all children catch by their second birthday.



A border-patrol agent, left, spoke with migrants as they crossed the U.S.-Mexico border last month.

Biden Team Weighs Border Policy As Current Limits Face a Deadline

By MICHELLE HACKMAN

WASHINGTON—The Biden administration is thinking about reviving a Trump administration policy to significantly limit who can claim asylum after crossing the border illegally, according to people familiar with the situation.

The plan is the most drastic of several under discussion as the Biden administration prepares to end Title 42. That pandemic-era policy, which allows border agents to turn away migrants at the border even if they ask for asylum, ends Dec. 21.

A court ruled that the policy, adopted in 2020 by the Trump administration and one the Biden administration has expanded, is illegal because it violates immigration laws, a ruling President Biden's team hasn't yet challenged.

A Department of Homeland Security spokesperson said that reports indicating U.S. policy will change are inaccurate and that no such decisions have been made.

The court initially set the Dec. 21 deadline to end Title 42 at the administration's request last month. But in a Friday afternoon court filing, lawyers with the Justice Department told the court that they were still deciding whether to appeal the ruling

and would make a decision by Dec. 7. Border officials are projecting that an end to Title 42 would result in a further rise in already-elevated daily border crossings. Such an increase would threaten to break a fragile system of transferring migrants from Border Patrol custody to city or private shelters, resulting either in dangerous crowding inside Border Patrol stations or releases of migrants onto the street.

Through the first three weeks of November, Border

Border officials project an end to Title 42 would lead to more crossings.

Patrol agents made roughly 127,000 arrests of people crossing the border illegally, according to internal government data viewed by The Wall Street Journal, primarily of Mexicans, Cubans and Nicaraguans. The administration was able to use Title 42 against roughly 32% of those crossing, with the rest allowed to remain in the country and pursue asylum claims.

The ban under discussion would prevent migrants from

winning asylum in the U.S. if they moved through another country, such as Mexico, on the way and didn't first apply for asylum in that country. The policy would be issued so it takes effect in conjunction with the end of Title 42.

The Trump administration instituted a similar policy in 2019, known as the transit ban. A federal appeals court in San Francisco ruled in the final months of the administration that it violated asylum laws set by Congress. The suit was set to reach the Supreme Court, but the Biden administration ended the case by dropping the policy when Mr. Biden took office.

Officials are also working on an online portal to allow asylum seekers from more countries to apply for asylum before coming to the U.S., with the possibility of receiving travel documents to fly to the country if they clear an initial screening, the people said.

It is possible that the two proposals could be combined, the people said. Those ineligible for asylum at the border could be eligible instead to apply through the online portal, though such a process would likely be capped or limited to applicants from one country to start, they said.

The administration started a similar program for Venezu-

elans, allowing up to 24,000 people to apply to come to the country on temporary humanitarian grounds for two years as long as they applied with a financial sponsor in the U.S. At the same time, it started expelling Venezuelans at the border under Title 42.

Reports that a revival of the Trump-era policy is under consideration upset immigration advocates, who said such a policy would directly counter Mr. Biden's campaign pledges to restore the nation's asylum system.

"We hope the Biden administration is not truly thinking of reviving yet another Trump anti-asylum policy, but if they bring back the transit ban we will be back in court immediately," said Lee Gelernt, an attorney with the American Civil Liberties Union who argued against the Trump-era asylum ban.

Other policy changes the administration is considering include negotiating with other countries to accept more deportees, such as asking Mexico to take back deported migrants from countries such as Venezuela and Nicaragua, which won't accept back their own citizens, the people said. That would help the administration continue its policy toward Venezuelan migrants once Title 42 ends.

Alex Jones Files for Personal Bankruptcy

By JONATHAN RANGLES

Alex Jones has filed for personal bankruptcy after he and the company behind his Infowars platform were ordered to pay roughly \$1.4 billion in damages for defaming the families of the Sandy Hook school massacre of 2012.

The far-right media host

and provocateur filed for bankruptcy on Friday in Texas, where his Infowars site was already under chapter 11 protection amid years of costly litigation with the families of Sandy Hook victims. His own chapter 11 filing immediately halts their ability to collect judgments against him and moves to bankruptcy court the question

of how he and his media business will compensate them.

Mr. Jones said on his bankruptcy petition that his personal assets are between \$1 million and \$10 million while his liabilities exceed \$1 billion. He said he is disputing the judgments he has been ordered to pay Sandy Hook families. His lawyers couldn't be

reached for comment.

A Connecticut jury in October ordered Mr. Jones and Infowars' parent company to pay \$965 million in damages for repeatedly claiming on the site that the Sandy Hook school massacre was a government hoax. A gunman killed 20 children and six adults at the Connecticut elementary school.

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U.S. NEWS

President Condemns Holocaust Deniers

By JENNIFER CALFAS

President Biden urged political leaders to repudiate anti-Semitism and denounced Holocaust deniers in a tweet Friday.

"I just want to make a few things clear: The Holocaust happened. Hitler was a demonic figure," the president wrote. "And instead of giving it a platform, our political leaders should be calling out and rejecting antisemitism wherever it hides. Silence is complicity."

Mr. Biden's comments come at the end of a week during which criticism mounted over former President Donald Trump's recent dinner with Kanye West and Nick Fuentes, a white nationalist. They also followed Mr. West's anti-Semitic comments to Alex Jones, a conspiracy theorist. During the conversation, Mr. West praised Adolf Hitler.

White House press secretary Karine Jean-Pierre initially declined Friday to say who the tweet was in reference to. But the White House later said the tweet was in reference to Mr. West and "the overall rise in antisemitic language and behavior."

Mr. Biden has denounced a rise in anti-Semitic attacks and threats across the U.S. The Anti-Defamation League, a Jewish advocacy group that examines anti-Semitism in the U.S., found the number of reported anti-Semitic incidents in 2021 marked a new high since the group started tracking them in 1979.



President Biden signing the railroad legislation Friday as members of his administration looked on. Once the labor agreement is in place, rail workers aren't allowed to strike.

Biden Signs Bill to Prevent Rail Strike

By KATY STECH FERREK AND TARINI PARTI

WASHINGTON—President Biden signed legislation to prevent a nationwide strike by railroad workers, the last step in resolving a long-running dispute between workers and major freight railroads.

With his signature, Mr. Biden ordered unions to implement a labor contract mediated by his administration that four unions representing more than half of unionized rail workers had rejected after the deal was struck in September. The agreement doesn't include an expansion of paid sick leave benefits sought by unions and some lawmakers. It marks the first such intervention in a railroad

labor dispute in three decades. The signing Friday comes after both Senate and House lawmakers passed the legislation this week.

Under the Railway Labor Act, Congress can make both sides accept an agreement to prevent harm to the U.S. economy. Once the labor agreement imposed by Congress is in place, rail workers aren't allowed to strike.

Mr. Biden as well as Republican and Democratic lawmakers said that they didn't like getting in the middle of the dispute but that they couldn't risk a strike.

"I know this was a tough vote for members of both parties," Mr. Biden, a Democrat, said before signing the bill. "It was tough for me, but it was the right thing to do at the

moment to save jobs, to protect millions of working families from harm and disruption and to keep supply chains stable around the holidays."

Lawmakers broadly agreed that unions should accept the earlier deal, though a second measure to provide seven additional paid sick days drew support from an unlikely union of both progressive Democrats and far-right conservatives. The measure ultimately failed to get enough votes in the Senate.

Unions had criticized Mr. Biden's call for Congress to intervene, saying it undercut their bargaining position and would force some workers to accept a labor deal some had rejected.

SMART-Transportation Division, which represents around

36,000 rail workers, thanked lawmakers and the Biden administration for helping workers negotiate on the contract, but said it was disappointed with the failure of the paid-leave measure in Congress.

Ian Jefferies, president and chief executive of the Association of American Railroads trade group, said the new labor deal "is a compromise by nature, but the result is one of substantial gains for rail employees."

Business leaders—spanning energy companies to fertilizer producers—had sounded alarms over a possible strike, warning that a work stoppage or a lockout at the railroads could put hundreds of thousands out of work and exacer-

bate supply-chain problems and inflationary pressure.

Freight railroads and unions representing engineers, conductors, machinists and other workers have been in labor negotiations for more than two years. The White House appointed a mediation panel over the summer. Eight unions ratified a proposed contract that came out of those talks, while four didn't. The main sticking points involved work schedules and paid sick time.

Watch a Video



Scan this code for a video on Washington's intervention in the labor dispute.

Pentagon Debuts Its Newest Stealth Bomber, B-21 Raider

A stealthy, long-range aircraft, part of a family of systems that will include crewed and uncrewed versions able to serve as a bomber and other uses such as surveillance and communications.

Cost: About \$700 million per aircraft
First flight: Expected 2023
Service entry: Expected mid-2020s
Power plant: Pratt & Whitney
Top speed: Classified
Combat ceiling: Classified
Range: Classified
Weapons: Conventional and nuclear payloads
Fleet: Air Force wants at least 100
Crew total: Classified, but will later be optionally crewed
Bases: Ellsworth AFB, S.D.; Whiteman AFB, Mo., Dyess AFB, Texas

B-21 RAIDER

By DOUG CAMERON

PALMDALE, Calif.—The Pentagon on Friday showed off its first new bomber in more than 30 years, lifting the veil on the secret long-range jet intended as a central element in Washington's effort to keep China in check.

At an average cost of almost \$700 million each, the B-21 boasts a futuristic flying-wing design and is intended to fly thousands of miles to strike targets deep behind enemy lines, evading detection by the most sophisticated air defenses. The plane is the first part of the U.S. nuclear deterrent's \$1 trillion overhaul, which will also include new nuclear submarines and land-based missiles, countering China's own expanding nuclear forces. The B-21 will carry conventional and nuclear arms, and could eventually fly without a pilot, aircraft maker Northrop Grumman Corp. says.

"The B-21's edge will last for decades," said Defense Secretary Lloyd Austin as the jet was unveiled for the first time publicly at an event at the Plant 42 facility in Palmdale, Calif., where the most advanced U.S. aircraft are developed and built.

The new aircraft was rolled out of a hangar following a flyover of the three existing Air Force bomber types, with a giant sheet removed to reveal a flying-wing shape similar to the existing B-2 Spirit jet.

The Defense Department has said that strategic competition with China is the U.S.'s primary national security imperative, including deterring conflicts in the Taiwan Strait, the South China Sea and other areas of the Indo-Pacific region. That requires a bomber that can evade enemy radar through a

stealth design, achieve a high top speed and carry a payload of advanced weaponry that it can drop it on many targets in a single run, defense analysts say.

"The B-21 is America's China-deterrence bomber," said Mark Gunzinger, a retired bomber pilot who flew the B-52, the Vietnam-era workhorse of the Air Force's bomber fleet.

The Air Force hasn't disclosed when it will deploy the B-21, though military analysts expect the first to enter operations in 2026 or 2027. It will join a bomber fleet that is the smallest—and oldest—in Air Force history.

In the years following World War II, the U.S. built a huge

number of bombers designed to strike deep behind the lines in a conflict with the Soviet Union. When the Soviet Union collapsed, the Air Force began shrinking its bomber fleet, while expanding its fleet of surveillance and recon planes, helicopters and attack planes suited for the fights in Iraq and Afghanistan.

The B-52 bombers are 60 years old on average, and the Air Force plans to fly them into the 2050s. The Air Force's roughly 45 B-1 bombers are 34 years old on average, while its 20 B-2 stealth bombers are 26 years old.

To limit adversaries' ability to develop defenses against the B-21, the Pentagon has revealed

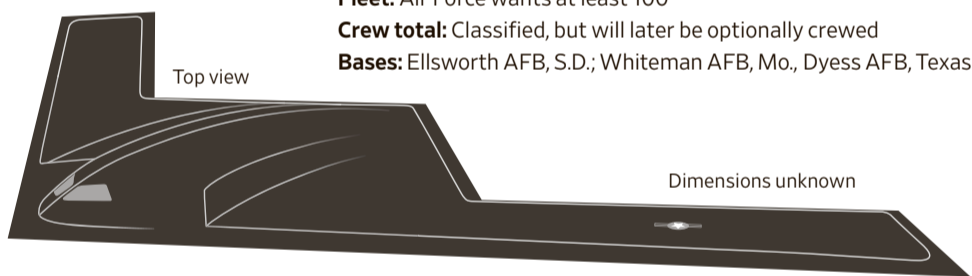
few details about the classified program, keeping it under wraps in the heavily guarded Palmdale facility for seven years. Over this past summer, the Pentagon permitted Northrop Grumman and other companies involved in the project to let employees acknowledge for the first time they were working on the program. For the best part of a decade, workers weren't even able to tell their families. Hundreds of employees gather for Friday's unveiling.

Northrop Grumman is ready to begin testing the plane—taxiing it on the ground around the facility and eventually flying it—so the time had come to reveal it to the public, Air Force officials said.

The B-21 appeared slightly smaller than its immediate predecessor the B-2, introduced in the 1990s. Hit by cost and development challenges and skepticism in Congress about the plane's role, Northrop Grumman built only 21 B-2s, rather than the 132 originally planned. That left each plane costing \$2.2 billion in 2022 dollars.

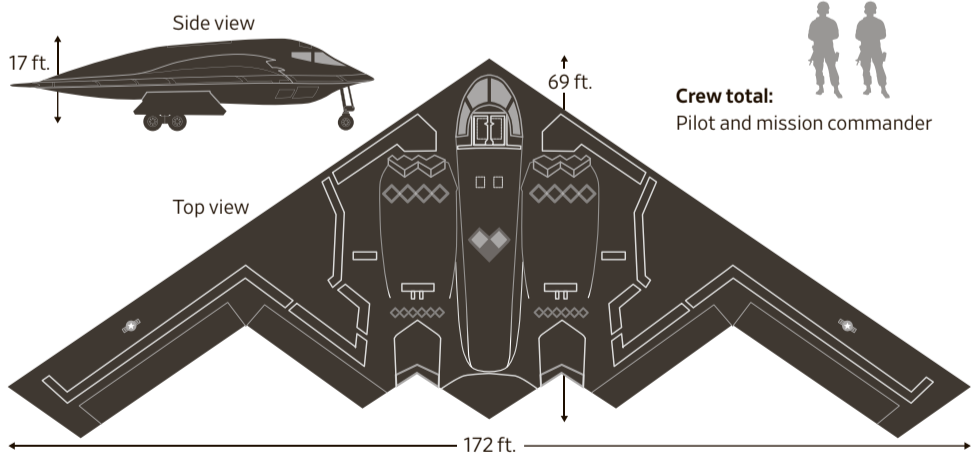
Air Force Chief of Staff Gen. Charles Brown said Friday that he was targeting to have at least 100 B-21s. The Pentagon hasn't made the cost and sustainment details public, but independent analysts expect the program to cost more than \$100 billion in all if 100 planes are delivered.

Stealthy, radar-evading jets have proved difficult and expensive to maintain. Northrop executives said the B-21 has been designed with existing parts and technology to lower costs and improve reliability.



Cost: \$2.2 billion per aircraft
First flight: 1989
Service entry: 1993
Power plant: Four General Electric F118-GE-100s
Top speed: High subsonic
Combat ceiling: 50,000 ft.
Range: 10,000 nautical miles with one refueling
Weapons: Conventional and nuclear payloads
Fleet: 20
Base: Whiteman AFB, Mo.

B-2 SPIRIT



Note: B-21 diagram based on a Northrop Grumman rendering. B-21 contractors: Northrop Grumman is lead, with 400 subcontractors including Raytheon Technologies, BAE Systems, Spirit AeroSystems, Honeywell International, GKN Aerospace, Janicki Industries. Sources: Northrop Grumman; Air Force. Jemal R. Brinson/THE WALL STREET JOURNAL

Democrats To Shuffle Calendar

Continued from Page One cally battlegrounds in general elections. The change would reduce the importance of New Hampshire, the traditional host of the nation's first presidential primary.

The Democratic National Committee's Rules and Bylaws Committee approved a 2024 plan for South Carolina to kick off the process on Feb. 3, followed by Nevada and New

Hampshire on Feb. 6, Georgia on Feb. 13 and Michigan on Feb. 27. Those dates would come ahead of "Super Tuesday" in March when multiple states typically hold primaries, followed by contests throughout the spring.

The only "no" votes were cast by members from Iowa and New Hampshire out of roughly 30 votes. The proposal, which could face legislative hurdles in Republican-controlled states like Georgia, is expected to be approved by the full DNC during its winter meeting in Philadelphia in early February.

South Carolina helped revitalize Mr. Biden's 2020 campaign during the primaries and is home of the DNC's chair-

man, Jaime Harrison.

Party leaders from Iowa, where Mr. Biden hasn't performed well during his political career, and New Hampshire, whose first-in-the-nation primary is enshrined in state law, suggested that they would still attempt to hold their contests first regardless of the DNC's decision. That could trigger penalties from the national party.

"New Hampshire does have a statute, we do have a law and we will not be breaking our law," said Joanne Dowdell, a DNC committee member from New Hampshire. Ms. Dowdell is senior Vice President for global government affairs for News Corp, which owns The Wall Street Journal.

Mr. Biden has said he intends to seek re-election and pointed to plans to make a formal announcement sometime next year. If he doesn't face any significant opposition, some of the changes to the calendar might not be felt until 2028. But the moves could set in place future fights over the order of states after Iowa and New Hampshire held the top spots for about a half-century.

Mr. Biden said in a letter to committee members Thursday that the party needed to ensure that "voters of color have a voice in choosing our nominee much earlier in the process" and said that party caucuses shouldn't be included because they hurt hourly workers, a blow to Iowa's cau-

uses. Iowa has said it could address those concerns by holding a vote-by-mail contest.

Scott Brennan, a Rules and Bylaws Committee member from Iowa, said the proposed actions would further hurt Democrats in rural America and warned that the addition of large states such as Georgia and Michigan would fundamentally alter the playing field, favoring "front-runners and billionaire vanity candidates" who can advertise heavily.

Iowa and New Hampshire, Mr. Brennan said, would likely move forward with contests not sanctioned by the national party, creating uncertainty. And he said all of the changes could help Republicans, who

will be competing in Iowa's leadoff GOP caucuses beginning next year.

New Hampshire officials noted that their primary is organized by the state government. "We'll have first-in-the-nation and whatever sanctions they have, so be it," said Ray Buckley, the chairman of the New Hampshire Democratic Party.

During the meeting, committee members discussed penalties for states that attempt to leapfrog the states holding contests in the early window. The national party has the authority to strip delegates, as well as access to debates and voter databases, from candidates who campaign in unsanctioned states.

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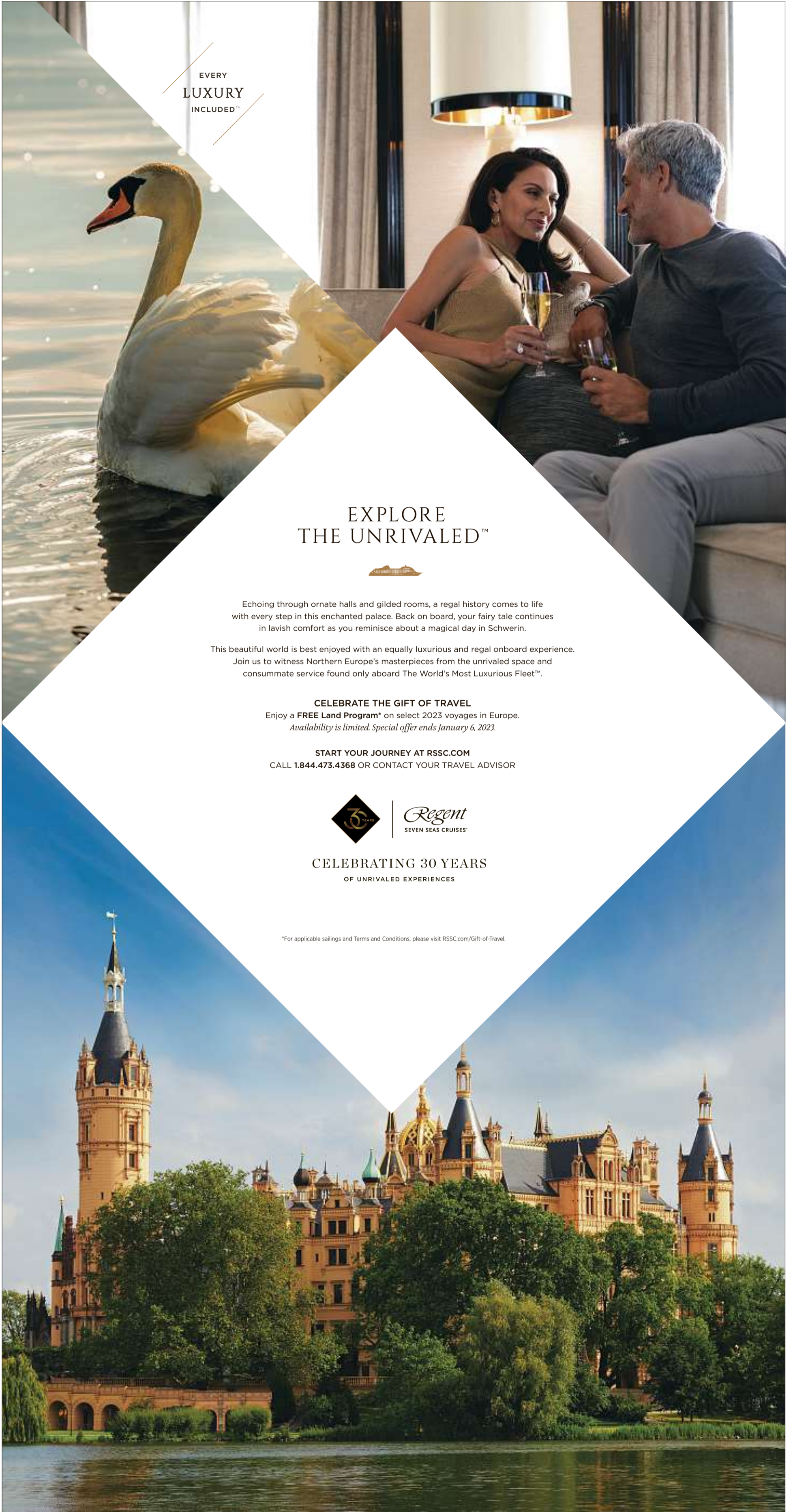
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U.S. NEWS

Fed on Track for Half-Point Rate Rise

Officials have warned they are likely to lift rates to levels high enough to slow activity

By NICK TIMIRAO

The strong November jobs report keeps the Federal Reserve on track to raise interest rates by a half percentage point at its meeting in two weeks and underscores the risk that officials will raise rates above 5% in the first half of next year.

Fed officials have warned in recent days that they are likely to lift rates to and hold them at levels high enough to slow economic activity and hiring to bring inflation down from 40-year highs.

The employment report showed continued strong hiring and brisk wage growth, which is a source of concern to Fed officials because they are trying to slow both trends to prevent higher prices and wages from growing embedded across the economy.

At the same time, senior

Fed officials have clearly signaled their expectation that they can cool the pace of rate rises at their Dec. 13-14 meeting, ending an unprecedented string of 0.75-point rate rises at their past four meetings.

The Fed raised its benchmark federal-funds rate last month to a range between 3.75% and 4%, and officials have signaled they are on track to continue raising it to at least around 5% by spring.

The Fed's preferred inflation gauge, the personal-consumption-expenditures price index, rose 6% in October from a year ago. Excluding volatile food and energy categories, the so-called core PCE index rose 5%. Economists often look at core inflation as a better gauge of underlying price pressures. The Fed targets 2% inflation over time.

Recent pay gains were around 1.5 to 2 percentage points above what would be consistent with the Fed's 2% target, Fed Chairman Jerome Powell said during a moderated discussion on Wednesday.

"We want wages to go up.



Chairman Jerome Powell said Wednesday recent pay gains were above what would be consistent with the Fed's 2% inflation target.

We want wages to go up strongly," he said. "But they've got to go up at a level that is consistent with 2% inflation over time."

Mr. Powell said it was possible prices that rose sharply over the last two years, including housing costs and goods such as used cars, could decline in the coming year. But he signaled concern that inflation might ease to levels that

are still too high. "Despite some promising developments, we have a long way to go" in bringing down inflation.

Mr. Powell and several of his colleagues have said they don't believe wage growth played the primary role in driving up prices. But they are concerned that strong demand for labor and high inflation could create conditions that lead paychecks and prices to

move higher in lockstep, which economists sometimes call a wage-price spiral.

"When you get to that point, you're in serious trouble," Mr. Powell said Wednesday. "We don't think we're at that point. But it can't be that we can go on for five years at very high levels of inflation and that doesn't work its way into the wage- and price-setting process pretty quickly."

Economists said Friday's report raised the risk that income growth and inflation would remain elevated through 2023 unless the economy enters a recession. "What today's report tells you is that you now have two years of high wage growth, and so this cycle keeps building," said Steven Blitz, chief U.S. economist at TS Lombard.

The report "was clearly bad news for the Fed's war on inflation," said Jan Groen, chief U.S. economic strategist at TD Securities. "The report confirms the labor market remains the key factor keeping up underlying inflationary pressures in the U.S. economy."

Job Growth And Wages Stay Strong

Continued from Page One slow down its pace of interest-rate increases. But prices largely recovered by the market's close. The Dow Jones Industrial Average ended the day up 34.87 points, while the S&P 500 and Nasdaq Composite ended slightly lower.

The yield on the benchmark 10-year Treasury edged lower after rising earlier Friday.

Low unemployment and wage gains are helping fuel consumer spending—the economy's main engine—but also contributing to inflation that is running close to a four-decade high.

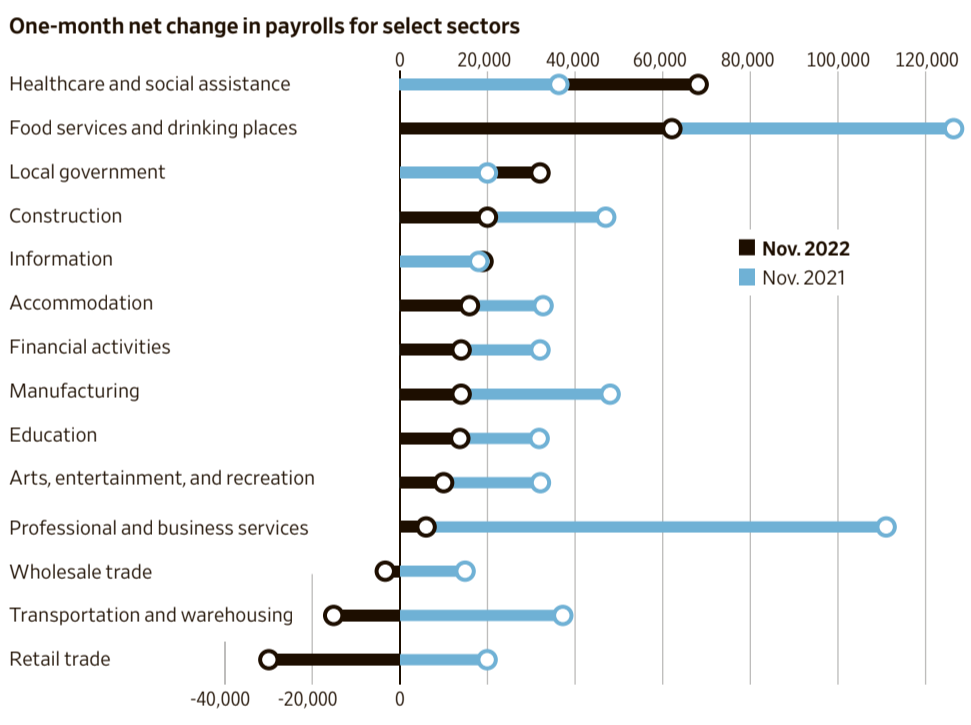
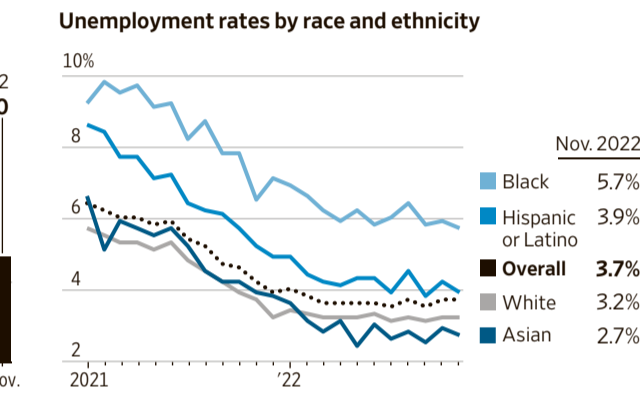
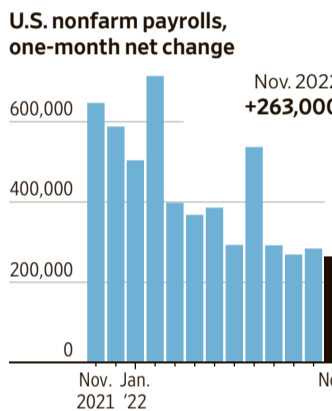
The jobs report keeps the Fed on track to raise interest rates in two weeks by a half percentage point, which would bring the benchmark federal-funds rate to a range between 4.25% and 4.5%. It also underscores the risk that officials will lift the rate above 5% in the first half of next year.

Revised wage data released Friday could concern Fed officials because it points to an acceleration in pay gains in recent months. Average hourly earnings grew swiftly in November from a month earlier across industries including retail, transportation-and-warehousing and information services.

One big question is how long the labor market's strength can last as the Fed raises interest rates. In November, payrolls grew in leisure and hospitality, healthcare and government. The information sector—which includes many tech jobs—also hired workers at a healthy clip.

But cracks are emerging. Some companies in technology, entertainment and real estate are shedding workers, with many growing nervous about the economic outlook. Firms in retail and warehousing are cutting jobs this holiday season as

The U.S. economy continues to post strong job gains, though the pace has slowed in recent months as some large corporations have announced layoffs.



Source: Labor Department. Note: Seasonally adjusted. November and October 2022 payrolls are preliminary.

consumers shift their spending from goods to services such as restaurants.

Economists expect higher interest rates will trigger more widespread layoffs and some forecast a recession in the next year, as has typically occurred during prior episodes of fast rate increases. They are closely monitoring the pace of hiring for signs of shifts in labor-market momentum.

"An employer is going to start reducing hiring long before they start letting go of their existing workforce," said Guy Berger, principal econo-

mist at LinkedIn. "That's the first lever."

The payrolls figures, which are subject to revisions, might overstate the strength of the job market, some economists said. A more comprehensive data set known as the quarterly census of employment and wages shows jobs have grown by 500,000 less in the year through June than payrolls indicate, according to UBS. Because monthly payrolls are eventually adjusted using those more comprehensive figures—which are based on employer tax records—they will

likely be revised down.

Corporate layoff announcements generally have been concentrated in the technology industry and sectors of the economy sensitive to interest rates such as housing and finance. Other businesses are quickly scooping up laid-off workers as job openings remain well above prepandemic levels, even in sectors such as real estate.

LodeStar Software Solutions, a small software company that helps mortgage lenders accurately disclose fees to consumers, recently posted an

opening for a customer-service role, said Jim Paolino, chief executive of the Conshohocken, Pa.-based company.

Mr. Paolino quickly received about 130 résumés for the job, which entails account management. He held screening calls with 10 applicants, eight of whom had lost their jobs at mortgage companies.

"It's actually a great time to hire right now," he said. "There has been an influx of talent in our industry and to the market because a lot of larger companies have done pretty large-scale layoffs."

Some firms are hesitant to lay off employees because they found it so difficult to rehire as the economy recovered from the pandemic downturn.

"Demand restarted, and they couldn't hire fast enough," said Becky Frankiewicz, president and chief commercial officer of staffing firm ManpowerGroup. "There's still this aftershock of, 'I want to hold on to the talent that I have.'"

Companies are largely avoiding job cuts because demand for goods and services is solid. Personal spending rose 0.8% from the prior month, the Commerce Department said Thursday.

Still, there are signs that spending could be reaching a limit, with some Americans dipping into savings or taking on credit-card debt to finance purchases. The personal-saving rate was 2.3% in October, its lowest level since 2.1% in July 2005.

David Blake, president of Iowa-based Blue-9 Pet Products, said sales have been roughly flat this year, a shift from previous years when the 10-person manufacturer and seller of dog-training accessories posted double-digit sales growth.

Pet owners appear to be cutting back on some discretionary purchases, he said.

"Whether we're in a recession or going to have a recession or not, the fact still remains that the inflation out there is having an impact on spending," said Mr. Blake.

—Gabriel T. Rubin contributed to this article.

Gasoline Prices Fall On Tepid Demand

By JOSEPH DE AVILA

Gas prices are well below record highs hit earlier this year. Analysts think they could fall even further.

The average cost of regular unleaded gasoline fell to \$3.43 a gallon on Friday, according to OPIS, an energy-data and analytics provider. That is among the lowest levels since Russia's invasion of Ukraine in February and a more-than-30% drop from a record above \$5 in June, according to OPIS.

Fuel prices have fallen because global economic jitters have damped demand for oil, analysts said. U.S. oil refineries have also increased their output after many were shut down for maintenance, which has helped keep gas prices low, they said.

Tom Kloza, global head of energy analysis for OPIS, said he expects gas prices to continue falling through the holiday season. "The next 60 days look really, really hospitable for consumers," Mr. Kloza said.

There continue to be regional differences. The average price of a gallon of gas has fallen below \$3 in Texas, Arkansas, Mississippi, Missouri, Louisiana, Georgia and Oklahoma, according to OPIS, which is part of Dow Jones & Co., publisher of The Wall Street Journal.

It is above \$4 in California, Washington, Oregon, Nevada, Alaska and Hawaii, according to OPIS. While gas prices remain higher than the national average on the West Coast, the region has seen some of the biggest declines in prices in recent weeks.

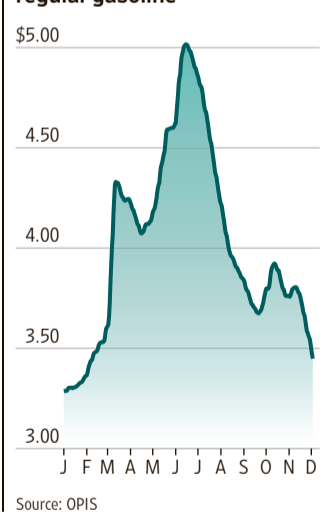
China's scaled-back consumption of oil has been a major contributor to declining global oil prices, analysts said.

Research firm Capital Economics estimates that the recent surge in Covid-19 cases in China will cause oil consumption to fall farther, by one million barrels a day in December.

Demand for fuel has also fallen in the U.S.

Mr. Kloza of OPIS said commuting to work still hasn't fully rebounded to prepandemic levels, one of the reasons gas prices are lower. In the U.S., demand for fuel in the fourth week of November was 10% lower than the same week in 2019, according to the U.S. Energy Information Administration.

National average price for regular gasoline



Source: OPIS

U.S. WATCH

NEW JERSEY

Battery Facility To Replace Coal Plant

A former coal-fired power plant in New Jersey was imploded Friday, and its owners announced plans for a new \$1 billion venture on the site, where batteries will be deployed to store power from clean energy sources including wind and solar.

The move came as New Jersey moves aggressively to adopt clean energy, including its push to be the East Coast leader in offshore wind energy.

Starwood Energy demolished the former Logan Generating Plant, with the head of New Jersey's Board of Public Utilities pushing a ceremonial button; the actual explosives used in bringing the structure down were triggered by a licensed demolition contractor.

Logan is one of two former coal-fired power plants that the company decided in March to shutter and tear down under an



Smoke and dust rose from the site of a former coal-fired power plant in Logan Township, N.J., after it collapsed when explosives were detonated to implode it on Friday. The facility was one of the last two coal plants in the state. Both closed three months ago.

agreement with the state and a local utility. The other is the former Chambers Cogeneration Plant in Carneys Point, which has yet to be dismantled.

They were the last two coal-fired power plants operating in the state until they closed three months ago.

—Associated Press

WASHINGTON, D.C.

Mental-Health Hotline Is Restored

The nation's 988 hotline, intended to help anyone experiencing a mental-health emergency, was back up and running Friday after a daylong outage.

The call service, which was launched in July, was restored shortly before midnight on Thursday. People experiencing a mental-health crisis were still able to reach a counselor by texting 988 or by visiting 988lifeline.org to start a chat.

The federal government is investigating the hotline's outage,

Health and Human Services spokeswoman Sarah Lovenheim said in a tweet Thursday night.

The 988 hotline is a national helpline staffed with counselors around the country. Since its launch, it has fielded roughly 8,000 phone calls a day from those seeking mental-health help.

—Associated Press

WASHINGTON, D.C.

U.S. Plans to End Mpox Emergency

The federal government plans to end in January the public-health emergency it declared earlier this year after an outbreak of mpox infected more than 29,000 people across the U.S.

Mpox cases have plummeted in recent weeks, with just a handful of new infections being reported every week in the month of November, according to data from the Centers for Disease Control and Prevention. At the height of the outbreak, over the summer, hundreds of people were being infected weekly.

The virus has primarily spread among men who have sex with infected men.

The public-health emergency is expected to end in January, said Health and Human Services Secretary Xavier Becerra in a statement.

—Associated Press

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WORLD NEWS

G-7 Caps Russian Oil at \$60 a Barrel

The move aims to limit Moscow's revenues, while keeping global supplies on the market

By LAURENCE NORMAN
AND ANDREW DUEHREN

The Group of Seven advanced democracies agreed to cap the price of Russian crude oil at \$60 a barrel, moving forward with an unprecedented sanction on one of the world's largest oil producers months after its invasion of Ukraine.

The agreement among Australia and the G-7—Canada, France, Germany, Italy, Japan, the U.K. and the U.S.—came hours after the European Union united behind the figure. Poland, a holdout in the past few days for a lower cap, agreed to \$60 a barrel earlier on Friday, clearing the way for the deal. The European Commission, the EU's executive arm, initially proposed setting the cap between \$65 to \$70 a barrel.

The cap will ban Western

companies from insuring, financing or shipping Russian oil unless it is sold below \$60 a barrel. The U.S. and its allies designed the system in an attempt to cut into Moscow's oil revenues while keeping Russian crude available on the market. It aims to leverage the concentration of maritime services in the West to curb Moscow's ability to wage war in Ukraine.

"With Russia's economy already contracting and its budget increasingly stretched thin, the price cap will immediately cut into [Russian President Vladimir] Putin's most important source of revenue," said Treasury Secretary Janet Yellen, the lead architect of the plan.

Russian officials have threatened to cut off oil exports in response to the cap, arguing that the sanction distorts market dynamics and could lead to an increase in global prices. But as of Friday, there were no signs on markets that Russia began to withdraw its oil from global markets.

Brent crude, the global oil benchmark, traded around \$85



Fuel tanker trucks head to an oil refinery in France.

a barrel Friday, dropping after the EU reached its agreement. Analysts and U.S. officials view the price of Russian crude, or Urals, as opaque and difficult to discover. Data provider Refinitiv listed the price of Urals at about \$69 a barrel on Thursday, while Argus Media pegged the price at about \$48 a barrel in the Baltic port of Primorsk on Wednesday. Western officials maintain that a cap at \$60 a barrel will still cut into Rus-

sia's profits, and have said they could lower the price over time.

"The EU agreement on an oil price cap, coordinated with G-7 and others, will reduce Russia's revenues significantly," European Commission President Ursula von der Leyen said in a tweet Friday. "It will help us stabilize global energy prices, benefiting emerging economies around the world."

Biden administration officials had hoped to have selected

the price cap several weeks ago, but disagreements with Europe about how harsh to make the penalty delayed the effort.

Ms. Yellen and other U.S. officials pushed the plan hard to get it into place this year. Within half an hour of Poland saying Thursday it needed extra time to consider the price cap, Polish government officials were receiving phone calls from senior U.S. officials pushing them to sign off, according to a Polish official.

The governments of India and China, two of the largest buyers of Russian crude, haven't embraced the price-cap plan, wary of joining a U.S.-led sanction program against Russia. Biden administration officials say they hope that refineries and other buyers in India would opt to comply with the cap so they can access cheaper and more reliable Western maritime services.

In general, the U.S. is relying on the lure of cheaper oil—and the centrality of Western maritime services—to woo buyers worldwide to buy

oil under the cap. Earlier efforts to encourage countries to affirmatively commit to buying Russian oil at a price set by the West largely fizzled, as countries that haven't joined sanctions on Russia remained neutral. Some countries, though, including Indonesia, have indicated that they would buy cheaper oil if it is available through the plan.

The EU and U.K. also will ban the import of Russian crude on Monday, meaning the cap is aimed at Russia's sales to the rest of the global market. They will ban the import of Russian refinery products on Feb. 5, 2023, when the West also is hoping to set price caps on the export of Russian petroleum products.

Poland, Lithuania and Estonia argued during talks that the cap should be set below Russia's current market rates. They secured a commitment to review the price level every two months starting in mid-January. The EU says the aim would be to set the limit at least 5% below Russia's market prices.

Lack of Wind Pushes Up Prices

By YUSUF KHAN

Falling wind speeds in Europe are pushing power and gas prices higher, underscoring the heightened vulnerability of the continent's energy system to weather conditions this winter.

Amid a sharp pivot from its reliance on Russian natural gas, Europe has built up large reserves of stored gas ahead of this year's heating season. That has helped ease power and gas prices recently. A particularly mild spell of weather across the continent also helped by pushing back gas withdrawals and keeping stockpiles topped off.

Now, though, colder weather in many places is kicking in at the same time wind speeds have fallen, bolstering demand for gas while reducing the ability of wind farms to generate electricity. This week, wind speeds in Hamburg fell to around 5 meters a second, or about 11 miles an hour, according to the weather forecasting site windy.com. That is the minimum speed required for electricity generation. Speeds of around 15 meters per second, or 33 mph, are needed to produce maximum power generation.

The sort of high-pressure systems dominating Europe at the moment tend to result in lower wind, said Evangeline Cookson, meteorologist and research analyst at Marex Spectron. Such anomalies in wind speed aren't particularly unusual. But this one is coming at a time when European governments are observing energy



Wind turbines producing electricity spin over a solar park near Klettwitz, Germany.

use as they navigate their first winter largely without Russian gas. It also comes at a time when there is extra sensitivity among consumers and companies to soaring energy bills. Energy traders have been unusually focused on the weather because it can dramatically affect gas supply and demand.

Governments and energy companies have sought clues about the severity of this winter in longer-term weather outlooks. They are less precise than shorter-term forecasts: Two of the most closely watched have so far come up with different projections for the next three months. The still spell also comes as

France, a key power exporter in Europe, is struggling to get a big chunk of its fleet of nuclear-power plants up and running after maintenance issues. Meanwhile, hydropower generation has also struggled. River levels dropped to multiyear lows after the continent experienced a scorching summer.

Day-ahead power prices in Germany for Friday were at 361 euros a megawatt-hour, equivalent to \$377, up from €108 in the middle of last month, according to data from European Energy Exchange AG. Natural-gas prices have also risen sharply given the extra demand, with benchmark Dutch TTF prices on Thursday sitting

above €158 a megawatt-hour, having sat at €123 a megawatt-hour at the start of the week.

Ms. Cookson said that for wind-power generation, low-pressure winds in a westerly direction over north Germany and France are ideal. That is where the highest concentration of wind turbines are installed in Europe, built there to take advantage of the typically prevailing wind direction. Instead, the region has been seeing the exact opposite this week—high-pressure weather patterns bringing weak, northeasterly winds.

The spell of light wind is underscoring a key weakness in Europe's energy infrastructure.

Kyiv Searches Globe For Parts to Fix Grid

By ALISTAIR MACDONALD

As Russia targets Ukraine's energy grid with missiles and drones, Kyiv is running out of vital parts needed to repair a network that provides electricity for homes, businesses and hospitals.

Moscow has deliberately attacked Ukraine's ability to generate and transport power in a bid to sap the country's morale, leaving millions without heat and light as temperatures fall below freezing.

Ukraine fixed much of this infrastructure, in efforts that Ukrainian President Volodymyr Zelensky has described as heroic. But the government says it is facing a critical shortage of parts, particularly the transformers that turn high-voltage electricity produced in power stations into what is used at home and work.

The U.S. and its allies are trying to provide replacement parts, but are struggling to furnish some of the equipment compatible with Ukraine's grid, which is rooted in Soviet technology. In the longer term, Ukraine is in talks with General Electric Co. and other Western energy companies to manufacture spare parts. While Kyiv scours the world for replacement parts, allies are flooding Ukraine with mobile generators.

With Russia continuing its strikes, officials warn that blackouts will stretch for longer and become harder to endure as temperatures fall, further testing collective resilience.

The crisis has caused surges to operate by the light of smartphones. Ukrainian civilians wait in long lines for water. Elderly and disabled people have been stuck in high-rise apartment buildings with no operating elevators.

"Energy is another front line in this war," said Yaroslav Demchenkov, Ukraine's deputy minister of energy.

Moscow began hitting Ukraine's power grids in early October, soon after a key bridge that links Russia with Crimea was destroyed. On Nov. 23, Russian attacks shut about 70% of Ukraine's energy capacity, with nuclear and coal-power stations turning off automatically as a safety precaution.

The coal stations were brought back online within hours and nuclear power returned not long after that, said Maxim Timchenko, chief executive of DTEK, Ukraine's largest private-energy generator. Ukraine is running on about 60% of its energy capacity, leading to rationing nationwide through rolling blackouts, he said.

Repairing the network is a risky job. Four members of DTEK's staff and five employees at Ukrenergo, for instance, have died while working.

One engineer employed by DTEK in southeastern Ukraine said he works 11-hour shifts fixing transformers, transmission towers, cabling and other equipment. Sometimes there is shelling in the area where his team is working and they have to take cover, he said.

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Solar Firms Evaded U.S. Tariffs

Continued from Page One
paying, American, clean energy jobs," said Abigail Ross Hopper, the trade group's president and chief executive.

With the four Southeast Asian countries accounting for roughly 80% of U.S. solar-panel imports, the department's probe initially caused a significant slowdown in their shipments, leading to delays in solar-farm projects and triggering complaints from federal and state lawmakers and officials.

In addition to the pause of the import duties, Mr. Biden invoked the Defense Production Act to help U.S. suppliers compete with Asian rivals and spur more domestic manufacturing of solar panels.

The Chinese companies that were found to have circumvented the tariffs are BYD (H.K.) Co., Canadian Solar International Ltd., Trina Solar Science & Technology (Thailand) Ltd. and Vina Solar Technology Co., according to a senior Commerce official. Together, they account for more than half of all solar-cell imports into the U.S.

The companies didn't respond to a request to comment.

The department's decision highlights the challenge the U.S. faces in reducing its reli-



A U.S. probe this year led to uncertainty over solar-parts imports and canceled solar projects.

ance on Chinese suppliers as it accelerates its shift to clean energy. U.S. solar installers and developers are facing an acute shortage of solar panels, now caused by new legislation giving U.S. authorities increased power to block imports of goods linked to forced labor practices in China. The shipment disruption has caused delays in solar deployment, threatening to derail the administration's climate goals.

The Commerce Department began its investigation at the request of San Jose, Calif.-based solar-module manufacturer Auxin Solar Inc. The company said Chinese solar manufacturers were circumventing the import duties on solar products—introduced in 2012 to protect American companies from subsidized Chi-

nese products—by shipping products through Southeast Asia where final assembly takes place.

Commerce's probe appears to "have largely validated and confirmed Auxin's allegations of Chinese cheating," Auxin CEO Mamun Rashid said. He said his company is grateful to the department for "fairly enforcing the U.S. trade laws for the benefit of U.S. solar manufacturers, their workers, and their communities."

The probe continued even after the White House introduced steps to ease its impact.

Based on information submitted by the companies upon Commerce's request, the department's investigators weighed several factors, including whether a majority of investments, manufacturing,

and research and developments were conducted in China, before final assembly in Southeast Asia.

The investigators determined the products shipped by the four companies were Chinese-made in totality and thus subject to the tariff rates on Chinese products.

This would subject BYD, which ships products through Cambodia, to a tariff rate of 27% and Canadian Solar, with a facility in Thailand, to 16%. Trina and Vina will face 254% tariffs as the department determined the companies failed to demonstrate their independence from the Chinese Communist Party. Trina's products are shipped from Thailand, and Vina, a unit of LONGi Solar, uses Vietnam as its shipment base.

WORLD NEWS

Ukraine Curbs Church With Ties to Moscow

By YAROSLAV TROFIMOV

KYIV, Ukraine—Ukraine's government moved to curb the activities of the Orthodox Christian denomination historically linked to Moscow, aiming to cut off the most important remaining source of Russian cultural and religious influence in the country.

President Volodymyr Zelensky announced the move as deadly battles continued along the front line, with Russia making small advances near the eastern Ukrainian city of Bakhmut, which has re-emerged as a major focus of the war.

The Ukrainian Orthodox Church, canonically linked to the Moscow Patriarchate, is one of the country's two main Orthodox denominations and used to be the dominant one before many faithful and parishes switched to the rival Orthodox Church of Ukraine.

Viewed by Moscow as heretical, the UOC was recognized in 2019 by the Ecumenical Patriarchate of Constantinople as fully independent from Russia, a major diplomatic achievement for Kyiv and a blow to Russian soft power. Most

Ukrainian believers are Orthodox Christians, though Greek Catholics are predominant in the country's west.

Mr. Zelensky's crackdown on the UOC follows a series of raids by the Security Service of Ukraine. The intelligence agency said it has found evidence of UOC priests possessing Russian citizenship, contacting Russian intelligence agents, and owning literature denying the right of Ukraine to exist. One of these raids was triggered by a video filmed in the Kyiv-Pechersk Lavra cathedral, the seat of the UOC and one of the holiest Orthodox shrines, in which the faithful sang a hymn celebrating Russia's "awakening."

"We will ensure complete independence for our state. In particular, spiritual independence," Mr. Zelensky said Thursday, after the national security council approved new steps against the UOC. "We will never allow anyone to build an empire inside the Ukrainian soul."

The council, Mr. Zelensky said, has decided the government would submit to parliament a draft law "making it impossible for religious organ-



Ukraine security checks papers at the Kyiv-Pechersk Lavra cathedral, where Russian agents are suspected of subversive activities.

izations affiliated with centers of influence in the Russian Federation to operate in Ukraine." The government has also said it would examine the UOC's canonical connection to Moscow, the grounds for its control of the Kyiv-Pechersk Lavra, and apply sanctions to UOC priests linked to Russian intelligence services.

While Russia didn't immediately react to these moves, Pres-

ident Vladimir Putin's spokesman, Dmitry Peskov, has said Ukraine is "waging war against the Russian Orthodox Church."

The State Department said: "We expect that any actions will be fully consistent with international law protecting freedom of religion or belief."

Many UOC priests, particularly in Russian-occupied territories, have been collaborating with Russian security services,

according to the Security Service of Ukraine, or SBU. On Friday, SBU investigators raided several UOC monasteries and churches in the Rivne, Zhytomyr and Transcarpathia regions, looking for more evidence of ties to Moscow and aiming to "make it impossible for religious communities to be used as centers of the 'Russian world.'"

The conflict over Russia's spiritual influence in Ukraine

escalated after Russian battlefield defeats. Russian missile strikes have severely damaged the Ukrainian electricity network and plunged millions of households into darkness.

Both Russia and Ukraine have moved troops to the eastern Donetsk region, where regular Russian formations and the Wagner private military company are trying to seize the strategic town of Bakhmut.

Kremlin Rebuffs Biden's Terms for Talks to End Conflict

By GEORGI KANTCHEV

The Kremlin rejected President Biden's conditions for negotiations concerning Ukraine, with Russian President Vladimir Putin, insisting that Moscow's military campaign would continue.

Mr. Biden on Thursday said he was open to talks with Mr. Putin, but only if the Russian leader demonstrates willingness to end the fighting. Kremlin spokesman Dmitry Peskov said Moscow won't enter talks

if Washington's condition is that Russia leaves Ukraine. He demanded the U.S. accept that Russia keeps the Ukrainian territories it occupies.

Western diplomats have said they see little prospect of a negotiated end to the war soon, given that both sides believe they can win. The North Atlantic Treaty Organization and its members say they are determined to keep supplying economic and military assistance, a point reiterated by Mr. Biden and French Presi-

Putin won't negotiate if Russia is expected to leave territory that it is occupying.

dent Emmanuel Macron on Thursday in Washington.

Mr. Biden said he has no immediate plans to speak with the Russian leader.

Messrs. Biden and Macron

said they would follow Ukrainian President Volodymyr Zelensky's lead on negotiating with Moscow. Mr. Macron said he would continue to talk to Mr. Putin.

On Friday, Mr. Putin told German Chancellor Olaf Scholz in a phone call that Russia's attacks on Ukraine's infrastructure became "inevitable" after what Moscow has said were Kyiv's assaults on Russian targets, including energy facilities and a bridge linking Russia to the Crimean Peninsula.

Mr. Putin accused Germany and the West of pursuing what he called destructive policies by supplying Kyiv with weapons and training Ukrainian soldiers.

"All this, as well as comprehensive political and financial support for Ukraine, leads to the fact that Kyiv completely rejects the idea of any negotiations," the Kremlin readout of the call said.

Mr. Zelensky has said he was open to "genuine peace talks" with Russia. Conditions for negotiations included re-

turning Ukrainian control over its territories, compensating Kyiv for Moscow's invasion and bringing to justice perpetrators of war crimes.

In Friday's call, Mr. Scholz condemned Russian strikes against civilian infrastructure in Ukraine and said Berlin would continue to support Ukraine, according to the German readout. Mr. Scholz urged Mr. Putin to reach a diplomatic solution, including a withdrawal of Russian troops, as soon as possible.



This Christmas, the "Rest of the Story":
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Dec 3	10:30 PM ET	WPCB/CTVN	Saturday
Dec 3	11:30 PM ET	PTL Network	Saturday
Dec 4	6:30 PM ET	Walk Ntwk	Sunday
Dec 4	10:30 PM ET	TCT	Sunday
Dec 5	11:30 PM ET	PTL Network	Monday
Dec 7	10:00 PM ET	Walk Ntwk	Wednesday
Dec 7	10:00 PM ET	WPCB/CTVN	Wednesday
Dec 9	9:30 PM ET	Daystar	Friday
Dec 10	10:30 PM ET	WPCB/CTVN	Saturday
Dec 10	11:30 PM ET	PTL Network	Saturday
Dec 11	6:30 PM ET	Walk Ntwk	Sunday
Dec 11	8:00 PM ET	WHT	Sunday
Dec 11	10:30 PM ET	TCT	Sunday
Dec 12	11:30 PM ET	PTL Network	Monday
Dec 13	2:30 PM ET	WPCB/CTVN	Tuesday
Dec 14	10:00 PM ET	Walk Ntwk	Wednesday
Dec 14	10:00 PM ET	WPCB/CTVN	Wednesday
Dec 17	10:30 PM ET	WPCB/CTVN	Saturday
Dec 18	6:30 PM ET	Walk Ntwk	Sunday
Dec 18	8:00 PM ET	WHT	Sunday
Dec 18	10:30 PM ET	TCT	Sunday



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Childe Hassam is remembered as the greatest of all American Impressionists, with works today residing in museums around the world — and even in the Oval Office of the White House. This impactful original oil, entitled *The Bather*, comes from a transformative period in the artist's career when he began to align closer with the nude subjects and pastel palettes of the French Impressionists. With Hassam's signature brushwork and attention to color, he creates a dream-like vision of sensuous serenity. Painted 1905. Signed (lower right). Canvas: 24 1/2" h x 20 1/8" w. Frame: 35 7/8" h x 31 1/4" w. #31-6184



This work is currently on view in our exhibition, *Revolutionaries: The Impressionists and Post-Impressionists*. Scan for details.

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WORLD NEWS

European Irritation Rises Over Subsidies

By KIM MACKRAEL

BRUSSELS—Simmering frustration over the “Buy American” provisions attached to a sweeping package of climate-related subsidies threatens to spoil the mood at a high-level U.S.-European Union meeting Monday.

EU leaders say the subsidies, which were included in the Inflation Reduction Act legislation that President Biden signed into law in August, are discriminatory and risk accelerating damage to European industries already struggling with high energy costs.

South Korea, Japan and the U.K. have also criticized the decision to attach local-content requirements to the subsidies.

Mr. Biden said Thursday that he was open to concessions, but didn't commit to specific changes.

Tensions concerning the legislation are expected to overshadow a planned Trade and Technology Council meeting between U.S. and EU officials Monday.

The council was established in 2021 under the Biden administration, which has sought to smooth relations with the EU following trade confrontations under former President Donald Trump.

U.S. law risks more damage to industries, say EU leaders ahead of trade meeting.

European leaders and industry groups have become increasingly vocal in recent weeks about the legislation, however. Lobby group BusinessEurope said Friday that the U.S.'s climate and clean-technology ambitions “must not come at the expense of European interests.”

The group called for negotiations to address elements in the legislation it said are discriminatory.

Late Thursday, a top EU official said he was canceling his plans to attend Monday's meeting. Thierry Breton, the bloc's internal market commissioner, won't attend because the agenda “no longer gives sufficient space to issues of concern to many European industry ministers and businesses,” according to a statement from his office.

Mr. Breton is focusing on preserving the competitiveness of Europe's industrial base and will travel to Washington early next year for bilateral meetings, the statement added.

The U.S. legislation includes a tax credit for electric vehicles that meet certain local-content requirements, including undergoing final assembly in North America. That provision has drawn particular concern from U.S. allies who say it could harm automotive production in Europe, Japan and South Korea.

A U.S.-EU task force set up recently to discuss the legislation has so far failed to ease European concerns.

“Probably all the member states are concerned about the Inflation Reduction Act,” said Jozef Síkela, minister of industry and trade in the Czech Republic, which holds the EU's rotating presidency.

Mr. Síkela said last week that the subsidies could represent a threat to European production, adding that he considers a subsidy race to be “a dangerous game.”

Other officials, including French President Emmanuel Macron, have called for Europe to introduce its own measures to counter the subsidies.

Even Ireland, which is unlikely to be affected significantly by the U.S. move, expressed openness to the possibility of boosting European subsidies.

“No one wants to get into a tit-for-tat or a subsidy race, but what the U.S. has done really isn't consistent with the principles of free trade and fair competition,” Ireland's trade minister, Leo Varadkar, said last week.

By SHA HUA

Nearly a week after protests exploded across China over the country's zero-tolerance Covid-19 controls, Chinese authorities have restored a tense calm to the streets with a two-pronged strategy.

Chinese leaders have moved to address the demands of protesters by signaling an easing of the country's strict Covid policies. At the same time, police have deployed en masse to the sites of protests and hunted down activists, using the tools of the digital-surveillance state.

The carrot-and-stick approach comes from a well-worn playbook that the Communist Party has used to maintain the social stability it prizes so highly. The question now is how well it will work in the new, uncertain reality Chinese leaders face.

For now, it appears to be holding, with protesters again staying off the streets on Friday as organizers discussed how to proceed in chat rooms. The area along the Liangma River in eastern Beijing, where hundreds if not thousands of protesters gathered Sunday, was largely empty Friday afternoon, with police vehicles stationed in the vicinity. As the city continues to battle its worst Covid outbreak to date, many businesses are closed and residents are working from home.

Protesters Connect

Chinese officials announced new easing measures this week, even as the country battled its worst wave of Covid. China reported nearly 34,000 new local infections on Thursday, according to government figures.

Nonetheless, in Beijing, officials said they would allow certain vulnerable Covid patients, including pregnant women and the elderly, to quarantine at home instead of at government facilities. In the southern metropolis of Guangzhou, where videos had shown protesters facing off with police wearing full pandemic protective gear and carrying riot shields, authorities scrapped testing requirements to enter public places.

Protests—even ones directed at Covid policies—aren't new in China. Despite the country's reputation as a security state, data gathered by researchers shows that protests break out in the country on a

regular basis. The recent Covid protests bear similarities to the smaller, lesser known outbursts of dissent, though they differ in significant ways, said Kevin Slaten, research lead at the China Dissent Monitor, a project of the U.S.-based nonprofit Freedom House.

Local protests against Covid controls had been going on since earlier this year, Mr. Slaten said. “What changed last week is that the local protests started connecting with each other and coalescing into a bigger collective ‘us’ that is frustrated with zero Covid,” he said.

Without independent media or the ability to vote, Chinese people with grievances often feel protest is the only way to get their voices heard. A large number of protests in China go unreported, whether because they happen in remote areas, are localized in nature or because censors smother information about them, say researchers. But those that can be documented offer a sense of how common they are.

From June to October this year, Freedom House, which is funded by the U.S. government, recorded nearly 600 instances of group protests across China involving marches, demonstrations and obstruction of roads, of which almost 80% involved more than 10 people.

tions around the country.

The protests, which included rare public calls for Mr. Xi's resignation over strict Covid rules, were followed by signs of an official softening in tone about the pandemic from top officials and other changes to national health protocols.

The people familiar with the situation said Mr. Xi told the visiting European official that the protests were mainly by students and the result of frustration about the three years of Covid-related restrictions. Mr. Xi said Covid's Omicron strain appears less deadly than ear-

The majority of documented cases were about delayed housing projects, financial disputes or fraud, and were directed either against local governments or individual companies.

Social-Pressure Valve

The high frequency of protests dates to well before Chinese leader Xi Jinping took power. Using machine learning and keyword searches on Weibo, China's Twitter-like social-media platform, researchers at Stanford and Princeton University found more than 130,000 protests involving at least three people from 2010 to 2017. Christian Göbel, a political-science professor at the University of Vienna, counted more than 83,000 between 2009 and 2021 using a similar approach.

The protests almost all focus on narrowly local issues and rarely target the authority of the Chinese Communist Party, at least not directly, according to Mr. Göbel.

“In fact, many are addressed to the central government,” he said, meaning demonstrators often appeal to Beijing for help. The central government has tolerated such protests in the past because they served as a social pres-

sure valve, as well as an alarm system that alerted them to brewing problems.

Protests have occurred less frequently since Mr. Xi took power in 2012, researchers say, in part because the Chinese leader has responded to them more forcefully. Yet, in more than 10% of protests, the demonstrators succeeded in extracting some form of concession.

A common tactic for authorities is to first repress a protest and prevent more from happening, also by making concessions later, said Mr. Slaten.

Sometimes, protests can even force changes in national policy. Earlier this year, Beijing squeezed property developers' access to credit in an effort to deflate the country's swelling real-estate bubble, leading many to stop work on residential properties that had been purchased. After home buyers staged a mortgage protest, the central government established a special rescue fund in September to help developers finish residential projects and finalize property handovers.

In some instances, complaints about pandemic measures escalated into calls for the Communist Party and Mr. Xi to step down—an astonishing expression of public defiance unseen in the country since the 1989 pro-democracy

protests. Mr. Slaten cautioned that those calling for regime change don't likely represent the majority of protesters.

Tightening Control

Chinese authorities have responded to the Covid protests the way they have responded to other, smaller protests under Mr. Xi. In the days following the demonstrations, police fanned out to prevent new gatherings. They used smartphone data to identify, detain and interrogate people who were at the protests.

Cyberspace regulators have clamped down on the internet, further tightening censorship and moving to curb access to virtual private networks.

At the same time, without directly acknowledging the protest, health authorities have altered their messaging around Covid controls, hinting at an acceleration of plans to ease restrictions.

For many of the young people who participated, they said, the protests crystallized broader frustrations with the strictures of life in Mr. Xi's China that could linger past the pandemic.

“Social movements don't always progress in a straight line. But livelihood grievances are often the issue that mobilizes a broad set of people,” Mr. Slaten said.

Xi Tells EU Delegation Dissent Reflects Frustration

By JAMES T. AREDDY

China's leader, Xi Jinping, told a visiting European Union delegation that recent protests in the country reflected frustration about Covid controls and suggested the pandemic has entered a less deadly stage, according to European officials familiar with the situation.

The comments by Mr. Xi, during a three-hour meeting in Beijing on Thursday with European Council President Charles Michel, are the first known responses by China's leader to recent demonstra-

tion iterations, such as Delta. It couldn't be determined whether the Chinese leader expounded on the viewpoints.

One European official said the discussion about the protests emerged when Mr. Michel questioned the Chinese leader about his Covid controls, which have given priority to mass testing, quarantines and lockdowns over vaccination drives. Mr. Michel “pleaded for use of vaccines and then raised the question of China's measures and government measures,” the official said.

“And the response we got

from the president was explaining why there were protests,” the official said.

The official Chinese and European statements about Thursday's meeting didn't mention Mr. Xi's comments about Covid and the protests.

A vice premier associated with the Covid controls recently described a “new situation,” and some cities appeared to dial back some limits on personal movement. Beijing announced a new vaccination push.

“Maybe we're heading toward a justification to really relax and make a change,” said

David O. Shullman, a senior director of the Atlantic Council think tank's Global China Hub. A key signal will be how the pandemic is described during a meeting expected this month of the party's new 24-member Politburo, he added.

The comments are as close to a “mea culpa” the party is likely to offer about Covid, said Bates Gill, executive director of Asia Society Policy Institute's Center for China Analysis in New York. Mr. Xi has signaled a need to defuse and respond to anger and loosen Covid restrictions, he said.

China Fines Ex-NBA Star for Criticizing Covid Facilities

By ALYSSA LUKPAT

Former NBA star Jeremy Lin, who is currently playing professional basketball in China, was fined more than \$1,400 by the Chinese Basketball Association after complaining about quarantine facilities on social media, the league said.

Mr. Lin, in a since-deleted video post, criticized the hotel where he was quarantining Thursday with his team, the Guangzhou Loong Lions, ahead of a coming game, according to the league and the post, which other users circulated on the Chinese microblogging platform Weibo.

“You won't believe this weight room. This is what the bubble life looks like,” he said as he panned the camera around the sparsely equipped room. “Where am I? What is this trash? Oh boy.”

About three years since Covid-19 cases were first reported, China is still trying to stamp out virus outbreaks with quarantine measures such as the one Mr. Lin was following, even as the rest of the



Jeremy Lin, number 7, was fined more than \$1,400 for mocking the hotel where he was quarantining.

world has largely moved on.

Protests erupted across the country recently by demonstrators frustrated with the disruption, and economic and social costs of China's zero-tolerance strategy. The protests are China's largest display of public defiance in decades.

China's social-media platforms are heavily censored and have suppressed posts about the demonstrations and others complaining about the country's Covid policies.

The Chinese Basketball Association, the country's top professional basketball league,

said Mr. Lin had made inappropriate remarks on his personal social-media account that violated the league's disciplinary guidelines. He was fined 10,000 yuan, or more than \$1,400, because the league said he “caused adverse effects on the league and the

competition area.”

Representatives for the league and for Mr. Lin, who is 34 years old, didn't immediately return requests to comment Friday.

The Guangzhou Loong Lions are scheduled to play next week in the Xinjiang region in northwest China, according to the Chinese Basketball Association's website.

Mr. Lin joined the league in 2019 after a storied career in the NBA. He drew international attention in 2012, when he left his bench-warming days behind and led the New York Knicks to the playoffs.

The circus surrounding him, coined “Linsanity,” was a stunning reversal for a player who had been dropped from two other NBA teams.

Mr. Lin, a Taiwanese-American who graduated from Harvard University, was the Knicks' unlikely hero that season. He went on to play for other NBA teams but never found the same success.

He was later hobbled by injuries before moving to China and playing professionally there.

WORLD NEWS



Migraunt workers, who helped build tournament facilities, recently watched World Cup soccer on a big projection screen in Qatar.

So Far, It's Mostly Smooth Sailing for Qatar's World Cup

DOHA, Qatar—A World Cup staged in one desert city by a first-time host with little experience of major sporting events was always going to be

By Stephen Kalin,
Joshua Robinson
and Jonathan Clegg

a high-wire act—even with the financial might of a petrostate prepared to spend \$220 billion to make it work.

Halfway through, the tournament is unfolding as a functional, if occasionally stressed, event. Qatar, a Middle Eastern country the size of Connecticut, hasn't stumbled even as its population swells with more than two million fans expected over the course of the month.

Matches have gone off without a hitch—four each day, all within 35 miles of each other. The desert heat isn't a problem, nor have the crowds overwhelmed an untested new transit system or the 100 daily flights delivering fans from surrounding countries.

Yet, last-minute changes in policy and isolated incidents of security overreach have highlighted the delicate nature and culture clashes of the first World Cup in the Middle East. The local hosts and FIFA, soccer's governing body, are sometimes at odds with fans and players who want, and at times are expected, to make political and social statements.

Several teams abandoned plans to wear rainbow arm-bands, as a statement against LGBT discrimination, after FIFA threatened to sanction players for breaking tournament rules, and some spectators have encountered problems when they wear clothes with rainbow designs.

Qatar launched a last-min-

ute surprise when it banned beer sales from areas around stadiums, but most fans have found drinks anyway. Visitors have complained about the high price of alcohol, as well as poor quality of some lower-cost accommodations and long walks to reach stadiums.

Return to Normalcy

The most improbable World Cup in history is also a global sporting event marking the return to pre-pandemic normalcy. Foreign spectators were banned from the delayed Tokyo Olympics in 2021 and the 2022 Beijing Olympics, and the drama at those events revolved around the stresses of a global gathering under lockdown conditions.

Now, for the first time in nearly three years, the world has converged on one place with tens of thousands cramming themselves into stadiums every day. There is no testing requirement and barely a mask in sight.

Qatar officials are declaring that they have exceeded their own expectations. Senior organizer Hassan Al Thawadi dismissed fan criticism that the tournament lacks atmosphere and is more subdued than previous World Cups. "It's really truly been a cultural gathering. It's been an opportunity to break down stereotypes," he said.

Yet, there have been episodes of tension and glitches. Matches involving Iran, which was eliminated Tuesday after a loss to the U.S., have been flashpoints for confrontation between supporters and critics of the regime in Tehran. Stadium security confiscated flags belonging to the monarchy that was toppled by the 1979 Islamic Revolution and

removed some fans wearing protest slogans. There have been some tense standoffs with police Qatar imported for the event, but little violence.

On the opening night of the tournament, huge groups of flocked to the largest fan zone in downtown Doha, only to be told it was at capacity and turned away by security in a chaotic scene. Inside the stadium, where Qatar lost its first-ever World Cup match, several thousand fans left at halftime.

The next day, a glitch in the FIFA phone app prevented some fans from accessing their tickets, causing long delays to enter stadiums.

The cost of things running more or less smoothly for these four weeks was incurred over more than a decade of preparation. As Qatar poured a fortune into transforming the country, from seven new stadiums to a

The first World Cup in the Mideast has seen some tensions and glitches.

gleaming new subway network, it relied on an often exploitative system of migrant labor.

Though human-rights organizations recognize that Qatar made some progress following international scrutiny, they estimate that hundreds and possibly thousands of laborers died after working in unsafe conditions on World Cup-related projects.

Qatar said the figure is three work-related deaths and 37 nonwork related deaths for the stadiums and noncompetition venues, but added this

week that more than 400 have died on other projects built to prepare for the tournament, such as hotels and highways.

For some fans from the U.S. and Europe, attending the tournament in this ultrawealthy, conservative autocracy has been plagued by distress over the treatment of workers as well as the emirate's criminalization of homosexuality. Qatar's defenders say that criticism is tinged with bigotry and amounts to a double standard.

Stirring Pride

As the first World Cup organized in the Middle East and in the Islamic world, it has also generated a rare sense of solidarity among fans from Arab and Muslim countries who say such concerns are eclipsed by watching the games in a place they feel more closely reflects their cultural background.

"We are so honored to be attending the World Cup in an Arab country," said Moroccan 40-year-old engineer Karim Bouhdili. "I am proud to bring my son here to see this."

Fans from neighboring Saudi Arabia, which until last year blocked travel here as part of a diplomatic spat, are the top ticket holders after Qatar and the U.S. Dozens of daily shuttle flights ferry Saudis back and forth from the tournament, a presence boosted by the team's surprise victory over Argentina.

Fans have expressed appreciation for designated areas at stadiums for Muslims to perform daily prayers. Cheering can be heard over the sound of the Muslim call to prayer.

"The mosque is right there," said Qatari Mohammad Al Mirri. "Whoever wants to pray can go pray and whoever wants to drink can go drink."

Food Commodities Are Getting Cheaper, Unlike Grocery Bills

By YUSUF KHAN

Global prices for commodities such as wheat and sugar have fallen back to where they were a year ago, but consumers still are likely to feel the pinch at the checkout.

The disconnect is because of uncertainty about future production of key foodstuffs and because price pressures elsewhere—including for energy and wages—can have a major impact on grocery bills.

The widely watched Food Price Index, produced by the Food and Agriculture Organization of the United Nations, dropped to 135.7 in November, data out Friday showed. The gauge includes cereals, vegetable oils, dairy, meat and sugar.

The index has now fallen for eight straight months after hitting a record in March, when Russia's invasion of Ukraine sent grain prices soaring. Still, it remains considerably above levels a few years ago.

Meanwhile, moves in commodity markets aren't feeding into lower prices for households. The latest official data show U.S. food prices at home hit a record high in October, up 12% on the year.

Even in less volatile times, commodity price changes can take three to six months to filter through to grocery bills, depending on the product and the market.

FAO food-price index



Source: United Nations Food and Agriculture Organization



A combine harvests wheat in a field in Ukraine's Kyiv region. Russia's invasion of its neighbor has sent grain prices soaring.

WORLD WATCH

SOUTH AFRICA

ANC Delays Session On Scandal Report

An urgent meeting of South Africa's ruling party to discuss the future of President Cyril Ramaphosa was delayed as calls continue for his resignation amid a scandal over money stolen from his farm.

The African National Congress' national executive committee on Friday had been expected to discuss a parliamentary report that suggests Mr. Ramaphosa may have violated anticorruption laws related to the theft in 2020 of millions of dollars that had been stashed in a couch. The committee has the power to force the president to resign.

The party's treasurer-general, Paul Mashatile, told reporters that top ANC officials would discuss the report before reconvening ahead of a parliamentary debate Tuesday. Lawmakers are expected to debate the report and vote on whether to proceed with an impeachment process.

Mr. Ramaphosa has denied wrongdoing, saying the stolen money was proceeds from the sale of animals at his farm and that he was "not involved in any criminal conduct."

—Associated Press

UNITED KINGDOM

Labour Party Wins Special Election

Britain's opposition Labour Party handily won a special election for a northwest England seat in Parliament, the first test of voter sentiment since Conservative Prime Minister Rishi Sunak took office in October.

Labour held on to the City of Chester constituency with an increased vote share of 61%, according to results announced Friday.

Labour won 50% of the votes in Chester at the last national election in 2019.

Labour leader Keir Starmer said the result showed people are "fed up" with the Conservative government.

Thursday's election was called after Labour lawmaker Christian Matheson stepped down over allegations that he made inappropriate sexual advances to a member of his staff.

The result is bad news for the Conservatives, whose popularity has been hammered by the scandal-plagued three-year-term of former Prime Minister Boris Johnson, which ended in September, and weeks of turmoil under his short-term successor, Liz Truss.



PROTEST: Members of social organizations in Buenos Aires, Argentina, demonstrate in front of security forces after the government cut assistance plans for some beneficiaries.

Ms. Truss quit in October after her plan for unfunded tax cuts spooked financial markets and rocked the economy.

Mr. Sunak replaced her and announced a package of tax increases and spending cuts aimed at restoring confidence in

the nation's finances. But the economic picture remains gloomy: Inflation hit 11.1% in October, many people are struggling to pay soaring energy bills and millions of workers, including railway staff, ambulance drivers and nurses, are staging

strikes to demand major pay increases.

A national election doesn't have to be held until 2024, and pollsters warned that midterm special elections often don't predict nationwide results.

—Associated Press

AFGHANISTAN

Pakistan Envoy Targeted in Attack

Shots were fired Friday at the Pakistani embassy in Afghanistan in what Pakistan's prime minister described as an attempt to assassinate his country's envoy in Kabul. The envoy wasn't harmed, but a body guard was wounded, Pakistani officials said.

A prominent politician and warlord, Gulbuddin Hekmatyar, also escaped unhurt a separate attack in the Afghan capital on Friday, his office said.

The attack on Pakistan's embassy in Kabul comes at a time of rising tensions between the neighboring countries. Prime Minister Shahbaz Sharif called the shooting an "assassination attempt" against Pakistan's representative in the country, in a tweet he posted.

Pakistan's foreign ministry said that the assailants had failed to harm its head of mission Ubaid-ur-Rehman Nizamani but shot and "critically injured" a security guard. It said "the compound of the Embassy of Pakistan in Kabul came under attack" without providing further details.

—Associated Press

OBITUARIES

JOHN PALMOUR
1960 - 2022

Scientist Changed Recipe For Making Microchips

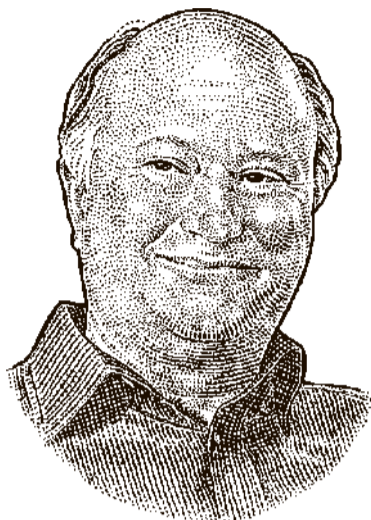
By JAMES R. HAGERTY

As a graduate student in materials science in the early 1980s, John Palmour took a chance on an unproven way to make semiconductors, substituting silicon carbide for the usual pure silicon. Silicon carbide had long been seen as a promising chip material, especially in applications involving lots of power and heat. The rub was that it was hard to avoid defects in the tricky process of growing silicon carbide crystals. Because the material is extremely hard, it also was difficult to slice into the required sizes.

"I thought, OK, well that would be cool," Dr. Palmour said in an interview for a Wall Street Journal podcast earlier this year, referring to his decision to join a silicon carbide research project at North Carolina State University. "Worst-case scenario is I'll get a [doctoral] degree. Best-case scenario is I'll be on the ground floor of something new." He was, but it took several decades for the technology to begin paying off in a major way—notably in supplying electronic devices used in electric vehicles, solar energy, windmills and cell-phone towers, among other things.

In 1987, Dr. Palmour and other researchers at NC State were among the co-founders of Cree Research, now known as Wolfspeed Inc. In the early days, the company subsisted mainly on research grants and sales of blue light-emitting diodes, or LEDs. Now Wolfspeed is focused on silicon carbide and gallium nitride electronic devices. Revenue for the fiscal first quarter ended Sept. 25 was \$241.3 million, up 54% from a year earlier.

In a sign of the technology's strategic importance, the Committee on Foreign Investment in the U.S. in 2017 blocked the sale of a large part of the company to Infineon Technologies AG of Germany. As Wolfspeed flourished over



the past five years, Dr. Palmour remained chief technology officer, even while being treated for lymphoma. He died Nov. 13 at a hospital in Raleigh, N.C., at age 62.

Along with his technological chops, Dr. Palmour provided a dose of zany humor and salesmanship to help sustain the company through its early years.

When he pitched silicon carbide in those days, Dr. Palmour said, "the general reaction was, 'Yeah, come back and talk to us when it's the same price as silicon.'" He argued that the potential savings from more-efficient devices more than justified the higher price. "Once you finally get those first couple of people, everybody else wakes up and starts to follow suit," he said. "Getting those first early adopters is the hard part."

Silicon carbide makes sense, he said, whenever "you need to pull energy out of a battery or out of the wall and convert it to make it useful for whatever the application is."

John Williams Palmour, the youngest of three children, was born in Raleigh on Oct. 14, 1960. His father, Hayne Palmour III, was a professor of ceramic engineering

at NC State. His mother, Barbara Grace Palmour, later taught kindergarten.

His early jobs included driving a school bus. He breezed through high school with little studying, and joked that he was voted most apathetic student but didn't show up to collect the award.

After enrolling at NC State in the late 1970s, he had to buckle down. When he completed his bachelor's degree, he looked for a graduate school research project and found that NC State had federal funding for work on silicon carbide.

While studying at NC State, he met Nancy Myers, who was studying English. They married in 1985. She survives him along with three children, a brother and a sister.

Money was tight while he was in graduate school. John Edmond, another co-founder of Wolfspeed, recalled that before getting married Dr. Palmour was happy to accept leftovers from the Edmond family refrigerator, even if they were a bit moldy.

Frugality was a helpful trait at a tech company that was slow to blossom. Wolfspeed was able to keep going because "we were small, we were nimble, we were crazy," Dr. Edmond said.

Over his career, Dr. Palmour published 386 scientific papers and earned more than 140 patents worldwide. Earlier this year, he was inducted into the National Academy of Engineering. He had a summer home in Wrightsville Beach, N.C., where he liked to cook for his family, work on crossword puzzles and sip Carolina Pale Ale.

Of his early days as an entrepreneur, Dr. Palmour wrote: "We were full of big plans and high hopes, but we were too young and stupid to know how hard it was going to be, how long it would take, or if it was even possible."

Read in-depth profiles at [WSJ.com/news/types/obituaries](https://www.wsj.com/news/types/obituaries)

JOHN Y. BROWN JR.
1933 - 2022

Sales Ace Helped Make KFC a Global Sensation

While studying law at the University of Kentucky in the late 1950s, John Y. Brown Jr. sold encyclopedias door to door and sometimes earned \$500 in a weekend. It was the best training he ever had, he said later.

As chief executive and part owner of Kentucky Fried Chicken in the 1960s, Mr. Brown continued to dazzle with his salesmanship as the chain grew from a small operation into an international franchising giant. In 1979, he sold himself to Kentucky voters as a successful candidate for governor whose campaign was launched shortly after he married a TV sportscaster and former Miss America, Phyllis George, and just two months before the primary election. As governor, he promoted Kentucky as a

paradise for business. An advertising campaign he launched described Kentucky as "the state that's run like a business." Mr. Brown told The Wall Street Journal: "We're cutting waste just like entrepreneurs. It's even easier than running Kentucky Fried because you aren't competing every day."

Mr. Brown died Nov. 21 in Lexington, Ky. He was 88 and had been under treatment for Covid-19.

None of the other restaurant chains he helped launch had anything resembling the success of KFC, now owned by Yum Brands Inc. "You just can't beat KFC," Mr. Brown told the Lexington Herald-Leader in 1999. "The KFC recipe is just addictive."

—James R. Hagerty

MARGARET DUCKHORN
1939 - 2022

Vintner Promoted Merlot as a Solo Act

Margaret Duckhorn was a school nurse before she and her husband, Dan Duckhorn, founded a Napa Valley winery in 1976. His background was in banking and venture capital.

At a time when other vintners tended to see Merlot as a supporting-cast grape to be blended into Cabernet Sauvignon, the Duckhorns thought it could star on its own as a varietal wine. Mr. Duckhorn had sampled Merlots in the Pomerol region of Bordeaux, France. He appreciated their softness and velvety character.

Duckhorn wines caught on quickly and helped establish California Merlot as a popular wine in the 1980s and 1990s. Ms. Duckhorn, the daughter of a career Army dentist, was responsible for

sales and marketing. The Duckhorns sold their wine business in 2007. It is now known as Duckhorn Portfolio Inc. and is listed on the New York Stock Exchange.

She recalled thinking St. Helena, Calif., might be "some Podunk town" when her husband first suggested moving there. It turned out to be a good place to raise a family and prosper. "Everybody tries to earn money to go to good hotels, have great meals, enjoy nice wines, meet fascinating people," she said in an oral history recorded by the University of California, Berkeley, "and that's our job."

Ms. Duckhorn died Nov. 26 in St. Helena. She was 83 and had frontotemporal dementia.

—James R. Hagerty

FROM PAGE ONE

Boeing Lobbies for MAX Time

Continued from Page One
needing to undertake costly and time-consuming overhauls of the new planes' cockpits. FAA approvals have taken much longer than expected.

This past week, with the post-election legislative clock ticking, lawmakers and their staff have been considering proposals that would grant Boeing a reprieve, including one from a key Senate Democrat that would require some safety improvements, though short of changes the current law would require. Pilot groups are split on the issue, and relatives of MAX crash victims are lobbying against a reprieve for Boeing.

Boeing's overall orders, for about 1,000 of the new jets, are

worth at least \$50 billion in revenue after customary discounts, according to the aviation data provider Ascend by Cirium—nearly as much as the company's overall sales last year of commercial jets, military aircraft and services.

Without a deadline reprieve, Boeing might cancel both planes, the company said in a securities filing, resulting in further financial hits. Airlines have said they prefer common cockpit types for their 737 fleets. Carriers could instead

buy already-approved MAX jets—or planes from Airbus.

Boeing and FAA officials have been getting used to a more-thorough process prescribed by the 2020 law. Boeing has had difficulty meeting the higher bar set by the FAA as agency officials ask more questions and company engineers at times turn in incomplete submissions for safety approvals.

Boeing declined to comment on the legislation. Chief Executive David Calhoun has expressed confidence that lawmakers will grant a reprieve. The company has argued that a common cockpit design is safer.

Airline executives and two pilot groups, Southwest's pilot union and the Air Line Pilots Association, have expressed agreement with Boeing's argument.

So has Robert Sumwalt, who was chairman of the National Transportation Safety Board when the two MAX crashes occurred in 2018 and 2019. Mr. Sumwalt said he didn't intend for his recommendation that future airplanes have modern cockpit-alerting systems to apply to the later versions of the 737 MAX. So-called commonality among all 737 MAX cockpits is critical for safety, he said.

"You don't want pilots being confused at the wrong time," Mr. Sumwalt said.

Opposing a reprieve for Boeing are relatives of the 737 MAX crash victims and American Airlines Group Inc.'s pilot union. The accidents took 346 lives. A group of victims' relatives has been meeting with lawmakers and staff for months.

Michael Stumo, whose daughter Samya Rose Stumo died in the 2019 MAX crash in Ethiopia, said lifting the deadline would give Boeing another pass to avoid needed safety upgrades.

"Some are trying to jam it through in a total swamp move with no hearings, no data" or other safety assessments, Mr. Stumo said.

Boeing has been trying to get an extension attached to major must-pass bills under consideration before this Congress. Among them are an annual defense package called the

United Nears Deal For Dreamliners

United Airlines Holdings Inc. is close to a deal to order dozens of Boeing Co. 787 Dreamliners, people familiar with the matter said.

An agreement between the Chicago-based carrier and Boeing could be completed as soon as this month, some of these people said. If completed, the deal would be worth billions of dollars in revenue and mark a victory for the U.S. plane maker over its European rival Airbus SE, which had competed for the deal, people familiar with the matter said.

Boeing has resumed deliveries of the Dreamliner after a nearly two-year freeze following a string of manufacturing and regulatory issues.

Airbus has been dominating

the market for smaller, narrow-body aircraft with its A320 family and expanding its lead over the rival 737 MAX since the latter's previous grounding following two fatal crashes of that jet in 2018 and 2019. But Boeing has retained a larger share of the market for wide-body jets, which hold more passengers and are generally used for long-haul international routes.

Dreamliners are popular among airlines for their fuel efficiency and ability to make new direct routes profitable, bypassing the need to connect cities via a central hub. Each carries a list price of about \$300 million before typical discounts, according to Boeing's latest publicly available list prices.

United, Boeing and Airbus declined to comment. Deals for new aircraft can fall apart even in their later stages.

—Andrew Tangel and Benjamin Katz

Opposing a reprieve for Boeing are relatives of the MAX crash victims.

National Defense Authorization Act and an omnibus spending bill. Key lawmakers with influence over the matter include Sen. Maria Cantwell (D., Wash.), chair of the Senate Commerce Committee, and Rep. Peter DeFazio (D., Ore.), chair of the House Transportation Committee.

Ms. Cantwell, whose state is

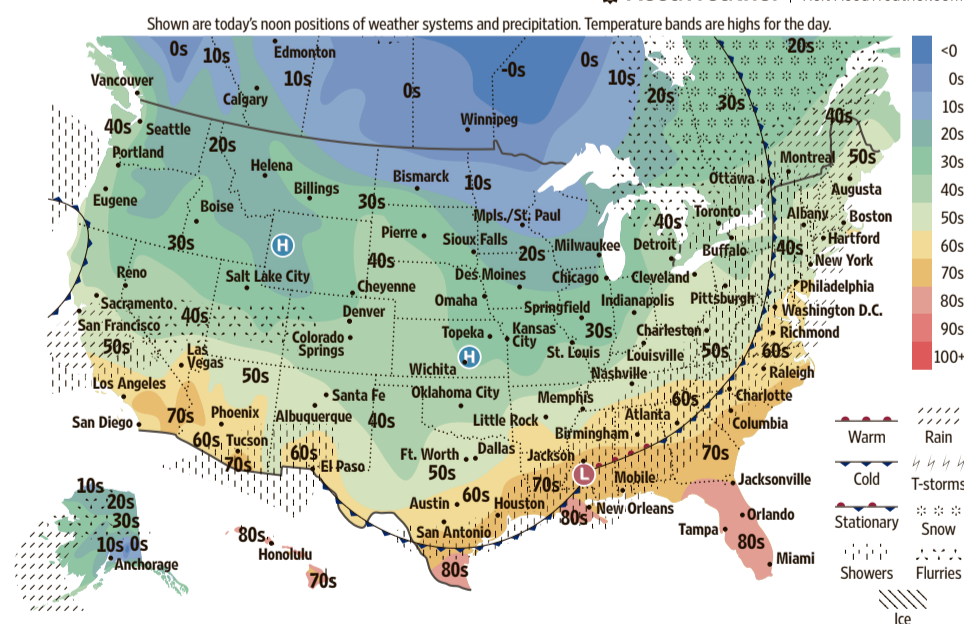
new safety features, suggesting that they would bring the company closer to complying with the intent of the law, people familiar with the matter said. Boeing said the features would reduce pilots' workload if airplane sensors transmitted erroneous data and involve related hardware changes.

Sen. Ted Cruz (R., Texas), who also sits on the Commerce Committee, on Thursday said "I think it makes sense" to grant a reprieve from the deadline. His office declined to elaborate as senators continue negotiations.

Mr. DeFazio has opposed changing the deadline. The law imposing it followed an investigation into the MAX crashes by Mr. DeFazio's committee. (The resulting report is even memorialized on a desk in his official portrait hanging on Capitol Hill.) Boeing has been seeking support needed to possibly circumvent Mr. DeFazio, people familiar with the matter said. The chair is retiring at the end of his term and won't be in Congress if Boeing fails to secure a reprieve by Dec. 27 and seeks to lift the deadline retroactively next year.

Mr. DeFazio said he supports requiring a modern cockpit-alerting system for new aircraft by the current deadline.

Weather



U.S. Forecasts

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

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	16	10	s	15	10	s
Atlanta	65	43	sh	61	44	c
Austin	61	49	c	62	58	c
Baltimore	63	32	r	46	26	s
Boise	37	26	c	35	25	sf
Boston	58	34	r	43	31	s
Burlington	51	28	r	35	28	pc
Charlotte	63	41	sh	54	35	c
Chicago	32	20	s	40	27	s
Cleveland	52	24	pc	39	28	s
Dallas	56	40	pc	51	48	c
Denver	47	28	c	52	35	pc
Detroit	47	22	sh	40	25	s
Honolulu	84	70	s	82	68	c
Houston	75	58	c	71	63	c
Indianapolis	42	21	pc	41	26	pc
Kansas City	35	26	pc	47	34	s
Las Vegas	63	47	pc	66	47	pc
Little Rock	55	34	c	62	38	c
Los Angeles	69	54	c	61	49	c
Miami	82	69	s	82	69	pc
Minneapolis	29	21	s	31	23	s
Milwaukee	16	12	s	31	23	s
Nashville	58	29	c	49	37	c
New Orleans	79	63	c	69	59	sh
New York City	57	35	r	45	36	s
Oklahoma City	45	33	pc	52	41	c

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	36	29	pc	37	34	c
Athens	63	51	pc	62	51	c
Baghdad	70	51	pc	69	50	c
Bangkok	89	76	pc	90	78	c
Beijing	35	12	s	35	13	c
Berlin	32	30	sn	38	35	c
Brussels	36	30	pc	37	34	c
Buenos Aires	76	66	s	85	70	s
Dubai	87	70	s	85	70	s
Dublin	46	40	c	44	39	sh
Edinburgh	44	36	sh	43	39	sh

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Omaha	33	19	s	45	29	s
Orlando	82	61	s	81	62	pc
Philadelphia	60	34	r	45	30	s
Phoenix	68	56	c	71	54	pc
Pittsburgh	53	23	sh	38	23	pc
Portland, Ore.	52	30	r	40	26	s
Portland, Maine	39	34	c	38	34	c
Sacramento	50	41	r	59	43	sh
St. Louis	39	26	pc	47	31	pc
Salt Lake City	35	32	pc	50	32	sh
San Francisco	52	48	r	58	48	sh
Santa Fe	51	39	c	51	38	c
Seattle	44	31	c	38	30	c
Sioux Falls	30	14	s	39	23	s
Wash., D.C.	61	37	r	47	34	s

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	38	32	c	41	37	c
Geneva	40	33	c	42	38	c
Havana	83	65	s	83	61	pc
Hong Kong	73	66	pc	73	63	pc
Istanbul	55	51	c	56	51	c
Jakarta	89	75	sh	89	75	sh
Jerusalem	65	50	pc	65	48	s
Johannesburg	87	60	s	85	62	t
London	45	37	c	43	39	c
Madrid	50	37	pc	47	38	pc
Manila	90	78	pc	89	77	t
Melbourne	85	61	pc	92	67	pc
Mexico City	75	45	pc	73	46	s
Milan	45	42	sn	48	44	r
Moscow	19	12	c	19	8	c
Mumbai	90	74	pc	91	76	pc
Riyadh	40	34	c	41	37	c
Rio de Janeiro	83	73	t	84	74	t
Sydney	84	59	s	86	61	pc
Rome	61	54	r	63	48	sh
San Juan	84	73	s	84	74	pc
Seoul	43	18	sn	31	17	pc
Shanghai	53	50	c	53	46	c
Singapore	86	76	t	85	75	t
Sydney	73	60	pc	76	63	pc
Taipei City	82	70	c	73	70	r
Tokyo	55	45	pc	59	43	pc
Toronto	47	25	sh	35	27	s
Vancouver	43	26	pc	38	25	pc
Warsaw	33	31	sn	38	32	c
Zurich	39	32	c	38	32	c

FROM PAGE ONE



FROM LEFT: AGENCY FRANCE PRESSE/GETTY IMAGES; ALEXANDER NIKOLAYEV/AP/GETTY IMAGES

The Friend Of Putin Selling War

Continued from Page One
intelligence officials and friends and associates of the billionaire.

The U.S. Treasury Department called Mr. Kovalchuk Mr. Putin's "personal banker" when adding him to a sanctions list in 2014. He is also one of the country's biggest media moguls, with an empire of television channels, newspapers and social media that often tout the Kremlin line.

As the war in Ukraine falters, Mr. Kovalchuk's sprawling media holdings have been increasingly valuable in a Kremlin arsenal that pumps out pro-war propaganda, crushes dissent and works to distract an unsettled public.

'The media guy'

Mr. Kovalchuk "does two of the most important jobs for Putin," said Anders Aslund, an economist and senior fellow at the Stockholm Free World Forum think tank who advised the Russian government from 1991 to 1994. "He's the money guy, and he's the media guy."

TV news channels in Mr. Kovalchuk's National Media Group presented a calm and steady picture of motivated and highly trained reservists being called to the front lines, and they aired accusations by Russian officials that Ukraine is planning to detonate a "dirty bomb" on its own territory.

U.S. officials warned those statements could be used by Moscow to justify its own use of nuclear weapons.

Mr. Kovalchuk, who remains subject to financial sanctions by the U.S., EU and U.K., is helping Mr. Putin consolidate control of the internet—important to Kremlin efforts to reach younger people with a presidential election coming in 2024. He bought control late last year of VK Co., which runs the country's largest domestic social-media network, VKontakte, often called the Facebook of Russia.

State-tied accounts inundate the platform with posts decrying the North Atlantic Treaty Organization and the West, according to experts on Russian social media. In territories of Ukraine that it controls, Russia arranged for new mobile phones to come programmed with the platform.

Part of the logic of buying VK was to keep tabs on anti-Kremlin users, according to a person in the tech industry with ties to the Kremlin. As Russian security officials use the platform to identify and track violators of laws that ban discrediting or spreading misinformation about the Russian military, VK informally shares data about users with authorities, according to people familiar with the platform's practices.

Mr. Kovalchuk and VK didn't respond to requests for comment. It couldn't be learned how often VKontakte went beyond its obligations under Russian law to share user information with investigators.

Between February and October, VKontakte was the source of more than 45% of the 1,122 alleged violations on social media of a law banning antiwar statements, said Alexandra Arkhipova, a social anthropologist and research fellow at the School of Advanced Studies in the Social Sciences in Paris.

Among those caught was Alexei Semyonov, a supplier of recycling materials who was criminally charged in October after urging people in a VKontakte post to boycott Mr. Putin's mobilization. "All you have to do is NOT appear at a military summons, pay a 3,000 ruble fine and continue to live without killing Ukrainian brothers and sisters and preserving your life," Mr. Semyonov wrote. He faces up to three years in prison.

Patriotic ideology

A physicist by training, Mr. Kovalchuk is motivated more by patriotic ideology than by the trappings of wealth, say people who know him. He doesn't hold a formal position in the Russian government. Yet he has deep influence over Kremlin policy and personnel, and helps supply dachas and yachts for Mr. Putin's use, and lucrative jobs and stockholdings to the president's family and friends, according to people familiar with the deals, financial documents and anti-corruption groups.

Alina Kabayeva, board chair of National Media Group, is a famed former Russian gymnast who the U.S. government believes is Mr. Putin's girlfriend. Several Putin friends hold shares in Bank Rossiya, and a distant Putin cousin has ownership ties to the bank as well as to VK, according to public documents.

Mr. Kovalchuk controls the U.S.-sanctioned Russian Bank Rossiya. The bank, in turn, built a network of offshore



A Russian Channel One editor interrupted a live broadcast with an antiwar poster, above left, an unusual deviation from the Kremlin-approved message within the media empire controlled by one of Vladimir Putin's closest friends, Yuri Kovalchuk, above right. Below, VK Co.'s Moscow offices.

companies that have benefited Mr. Putin and his associates, and invests in projects important to the state, according to interviews with former U.S. officials and Kremlin analysts as well as public documents and information revealed in the Panama Papers, a trove of leaked documents detailing offshore financial holdings.

Mr. Kovalchuk's National Media Group owns or holds large stakes in more than two dozen Russian TV, film-production and advertising companies, including state-operated Channel One. Four of National Media Group's affiliated channels are among the country's 10 most watched.

Mr. Kovalchuk is also a major shareholder, along with his wife and some business partners, of Sogaz, an insurance company that provides health and life insurance for Russian armed forces under contracts with Russia's Defense Ministry and National Guard, according to public documents.

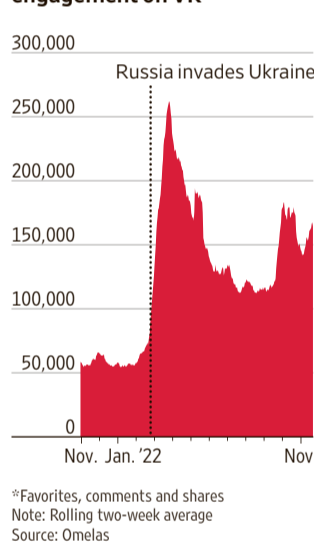
His name rarely appears directly on these businesses. His ownership is often obscured by webs of intermediary firms that technically own stakes, and he sometimes shares ownership with other companies and the state.

Sogaz and National Media Group didn't respond to requests for comment.

VKontakte is the latest example of how Mr. Kovalchuk uses his wealth to empower Mr. Putin.

While the number of Russian government posts has declined on several foreign social-media platforms, partly due to restrictions and bans of Kremlin accounts in the wake

Russian government engagement on VK



of the Feb. 24 invasion of Ukraine, the average daily number of messages climbed about 17% on VKontakte between April and October compared with the same period in 2021, a Wall Street Journal analysis found.

During that period, re-

VKontakte, known as the Facebook of Russia, dominates the local market.

sponses to Russian government posts on VKontakte also spiked. Favorites, comments and shares were more than three times as high as in the same period in 2021, according to the Journal analysis of data from Omelas, an intelligence firm

that tracks how authoritarian governments use the Web.

When the pandemic hit in March 2020, Mr. Kovalchuk quarantined and underwent regular testing to meet with Mr. Putin, who was isolating at his dachas and taking few in-person meetings, according to several people with knowledge of the relationship.

The two sometimes spent hours together talking about the growing conflict with the West, Russian history and their shared interests, according to the friend of the Kovalchuk family and the former Russian intelligence official.

Mr. Kovalchuk argued to Mr. Putin that the West was ripe for Russia to demonstrate its military prowess by intervening in Ukraine, according to the ex-intelligence official.

The Kremlin didn't respond to requests for comment about the relationship between the two men or about government involvement in media decisions. Mr. Putin has described Mr. Kovalchuk as a friend and has criticized the Western sanctions against business leaders close to him.

The next year, Mr. Kovalchuk formed National Media Group with media assets from Bank Rossiya, Sogaz and other companies. Within a few years, National Media Group was Russia's largest privately held media conglomerate, with stakes in politically influential TV channels, websites and film-production companies.

Mr. Putin's first deputy chief of staff, Alexei Gromov, holds meetings every Thursday with the editors-in-chief of Russia's biggest television channels, in-

cluding Mr. Kovalchuk's Channel One, instructing them on messages to be aired, according to several Russian media executives. Any deviation results in an angry call from the Kremlin, these people said.

VKontakte, which means "in contact," was launched in 2006 as a Russian social-networking site where, like Facebook, users could connect with friends and share messages and photos.

Kremlin officials took notice of its political importance when protesters used it and other social-media platforms to organize mass demonstrations across Russia in 2011. Activists used the same approach to mobilize protests in Kyiv in late 2013 that led to the ouster of Ukrainian President Viktor Yanukovich, a Moscow ally.

"Russia got the message that online organization of protests can actually take down a government, one that looks like their own," said Sarah Ann Oates, a professor at the University of Maryland Philip Merrill College of Journalism who studies Russian media and propaganda.

Personal information

Security services began pressing VKontakte to release personal information about antigovernment protesters on the platform. The company's founder, Pavel Durov, said on his VKontakte page that he refused to comply and that he was fired from the company and forced to leave Russia in 2014.

In late 2021, Mr. Kovalchuk stepped in.

Within days of the acquisition, Vladimir Kiriyenko was appointed VK's new chief executive. A former Rostelecom executive, he was sanctioned by the U.S. in February for being a former state official and son of Sergei Kiriyenko, the Kremlin deputy chief of staff charged with domestic policy and reigning in the internet.

Since the acquisition, VK has found new ways to entice Russian users and benefited from a ban in Russia on most foreign social media, providing the Kremlin a bigger audience. VKontakte has 76.9 million monthly active users, according to the company's third-quarter results—a dominating presence in a country of roughly 145 million.

On its website, the company says, "We oppose censorship and strive to provide people with every opportunity to freely communicate."

—Evan Gershkovich
contributed to this article.

Alaskans Hunt For Their Yetis

Continued from Page One
said Ms. Peavey, 59 years old. "What's coming to our beaches?"

Storms and currents in the gulf of Alaska deliver all manner of flotsam to shore—never, though, a bounty like this one.

In April, Ms. Peavey, her son and daughter-in-law piled into a 22-foot Hewescraft Ocean Pro boat for a scouting mission around Suemez Island. She waited on the boat while they searched the shoreline.

While watching through binoculars, Ms. Peavey soon saw her son carrying a Yeti cooler, the kind that fetch as much as \$750. "We wanted to keep it quiet," she said. "But

we told a few people, and word got out."

News of the seaborne windfall kicked off a search frenzy that looked "like an Easter egg hunt," said Kurt Whitehead, 51, a commercial fisherman in Klawock, Alaska.

Past beachcombing finds by Mr. Whitehead have included messages in bottles and, once, a bomb. His favorite beach treasures are Japanese or Norwegian glass floats that fishermen used to attach to nets, a rare find. "They usually break on the beach," he said.

In June, Mr. Whitehead set out with his wife, Trina Nation, 49, in his 26-foot Crozier Craft aluminum boat to hunt for Yetis. He dropped her off on the south side of Sukkwan Island. Soon, he spotted Ms. Nation dragging something behind her. "I found one!" she yelled, showing off a \$250

cooler, the Yeti Roadie.

"The exterior was lightly abused, but the inside was in mint condition," Mr. Whitehead said.

Duke Marolf, a 38-year-old marine welder and bush pilot in Seward, Alaska, also heard the Yeti tales. "I thought that was cool," he said, "but is it real?" In July, he went up in his 1962 Piper Cub to find out.

From the air, he spotted a scattering of green coolers and orange coolers on shore. He found more the next day and the day after that—19 Yetis and four of other brands

all told. Geoffrey Martynuik, 25, of British Columbia, took his 18-foot aluminum center console boat to a remote beach on the Haida Gwaii archipelago. He scooped up a Yeti Tundra 75, retail value \$450.

The cooler cornucopia fell from the Zim Kingston, a

cargo ship en route from Busan, South Korea, to Vancouver, British Columbia, according to the Canadian Coast Guard. The freighter hit bad weather and lost 109 shipping containers of urinal mats, Chinese checkers, hair wax, refrigerators, inflatable toys, bike helmets and bottles of

baby oil—plus the Yeti cache.

"We started to hear reports of some of these coolers ending up on the shores of Alaska, Seattle and beyond late last year when fans posted their finds on social media," said Matt Reintjes, Yeti president and chief executive.

The company said they lost



Bush pilot and marine welder Duke Marolf tracked the Yetis.

DUKE MAROLF

SPORTS

This Flying Dutchman Can Sink the U.S.

The Netherlands' Cody Gakpo is the type of creative artist with the potential to break down the American defense

By ANDREW BEATON

Almost a decade ago, an American teenager who was starting to attract attention from the top teams in Europe made a pit stop in the Netherlands. Christian Pulisic's time at PSV Eindhoven was brief, but he was there long enough to play in a youth tournament against the academies from other elite clubs. And one of his teammates would eventually become an even more dangerous attacking talent than he was.

His name was Cody Gakpo. And Gakpo is now the player capable of sending Pulisic, who after an injury was cleared by doctors to play on Saturday, and the Americans home from the World Cup.

When the U.S. takes on the Netherlands with a spot in the quarterfinals on the line, Gakpo will present a test unlike any the Americans have faced in this tournament. He's tied for the World Cup lead with three goals, but even that tally undersells what makes the 23-year-old Dutchman a particularly thorny challenge for a team like the U.S.

Gakpo is the type of creative artist on the pitch with the potential to break down the American defense in a way it hasn't experienced yet.

"I can't promise you if he will be the star of the World Cup," Dutch manager Louis van Gaal said before Gakpo emerged as one of the stars of the World Cup. "But he definitely could be. I know that for sure."

Over 14 Eredivisie games for PSV this season, Gakpo leads the league with nine goals. But he's not just the best player in Holland at scoring. He's also the best at setting up goals. His 12 assists are also atop Eredivisie this season, and the combination of those abilities is why the richest clubs on the planet like



Cody Gakpo is a scoring threat.

Manchester United and Arsenal are rumored to be bidding for his services.

The price to acquire Gakpo is rumored to be near \$80 million, and that number has only risen during this World Cup. The question for the U.S.: Can it be the first team to stop him?

The American defense has been the backbone of their World Cup run. In the group stage, they gave up only one goal, and that came

from a penalty kick. They still haven't conceded from open play.

How they have managed that, though, has been by shutting things down before the ball ever reaches an opponent's best goal scorer. They stopped star England striker Harry Kane by bottling up the English midfielder and preventing Kane from getting the ball in dangerous spots. American midfielders Tyler Adams, Yunus Musah and Weston McKennie have deftly halted oppo-

sing attacks before they can ever truly begin.

But Gakpo isn't like Kane or a traditional striker. He actually might not play striker at all against the U.S. Although van Gaal has used Gakpo up front at times during this tournament, where he can really shine is in the space between the midfield and the attack. That's also where he might be most dangerous to the American defense—a little further back, his playmaking abili-

ties might be able to break through the U.S. midfield to create the type of opportunities that Kane, for example, lacked.

Gakpo's versatility also gives van Gaal the option to play more of his best goal scorers. The Netherlands typically deploys two strikers, and in the team's three group stage games Gakpo started there twice and behind them once. Moving him back may prove especially tempting—and effective—for the Dutch against the U.S. because of star Memphis Depay's improved health.

For an American team that has thrived in the back, the variety of options at Holland's disposal is the type of thing that can give a coach absolute fits.

"It's tough. They have talent," U.S. coach Gregg Berhalter said. "I can see them playing with two strikers and one behind the striker. It can be any combination of who they've been playing, but they have some real talent."

America's best shot at answering Gakpo might just be the winger who once played alongside him.

How much Pulisic plays in the round of 16 isn't certain after he suffered what's being called a pelvic contusion while scoring the game-winning goal against Iran, though Berhalter remains optimistic about his chances.

Like Gakpo, Pulisic is integral to the U.S. goals whether or not he scores them. Before putting home the lone goal against the Iranians, he teed up the other American goal against Wales. But Pulisic's stint in the Netherlands was brief enough and long enough ago that he didn't go into this game thinking that it was a reunion.

"I never put that together," Pulisic said.

He's merely hoping to be on the field so he can try to outclass his former teammate.

Texans Sold High on Watson. The Browns Paid the Price.

By ANDREW BEATON

WHEN QUARTERBACK Deshaun Watson demanded a trade from the Houston Texans nearly two years ago, interested teams were faced with one of the most consistently uncomfortable problems in sports: weighing off-the-field ick against on-the-field value.

The Cleveland Browns eventually decided that it wasn't a difficult calculation at all. They not only traded three future first-round picks to acquire Watson, a player who had risen to superstardom in college at Clemson, they signed him to an unprecedented, fully guaranteed five-year, \$230 million contract. In terms of dollars and draft capital, it is perhaps the most expensive deal in NFL history.

After an 11-game suspension from the NFL for alleged sexual misconduct during massage therapy sessions, Watson is cleared to play on Sunday. His return is set to come in Houston against his former team, the Texans.

Eight months since these two teams struck the deal over Watson, what has become clear is that they studied the same market and read it differently. The Texans sold high—and won.

Houston patiently waited for nearly a year and moved on Watson during a brief moment when his value was at its peak. That's also when Cleveland chose to acquire the embattled superstar—and watched as the controversy around the quarterback resumed and became their problem.

How exactly the Browns paid the sticker price for a clearly distressed asset is just one of the head-scratching twists in a saga unlike anything the NFL had ever seen before. Almost simultaneous with his trade demand in early 2021, Watson faced a deluge of accusations that

he engaged in sexual misconduct during massage therapy sessions. Around two dozen since-settled lawsuits were filed against him by women who accused him of wrongdoing.

And for the entirety of last season, that yielded a bizarre standoff: Watson didn't want to play for Houston; interested teams were hesitant to pay full freight while authorities investigated potential wrongdoing; and the Texans didn't want to trade their most valuable player at a steep discount.

But the market entirely shifted in March, when a grand jury opted to not bring charges against Watson.

Suddenly, in the wake of that decision, a number of teams raced to acquire Watson, who also had a say in his future destination because of a no-trade clause. The Browns won out with the package they sent Houston and the groundbreaking deal they gave Watson.

The Browns faced immediate backlash for rewarding a player accused of widespread wrongdoing by women. Additional accusers came forward. At the time of the trade, Watson's civil lawsuits still hadn't been settled, and the contract Cleveland gave him looked like it was designed to mitigate any financial penalties he might receive from a suspension.

"We understand the optics of it," Browns general manager Andrew Berry said after the deal. "For us, after we got comfortable with Deshaun, the contract was really a football decision."

The Texans, meanwhile, have the worst record in the NFL at 1-9-1. They're favored to get the No. 1 overall pick, where they can draft a proper replacement for Watson. They also have a wealth of future picks to build around because they shipped Watson away at the best possible moment.



Netherlands coach Louis van Gaal, second from left, is one of the great tacticians of the modern game.

The Tactical Battle of Wits That Will Decide U.S.-Netherlands

By JOSHUA ROBINSON
AND JONATHAN CLEG

Doha, Qatar

The most consequential U.S. men's national team game in two decades is one coach for his entire career. He had no idea when he moved to Holland as a 21-year-old that he would one day face the Netherlands for a spot in the World Cup quarterfinals.

But on Saturday, in a win-or-go-home match at Khalifa International Stadium, the soccer philosophy he most admires will be turned against him. It represents the biggest test so far of Berhalter's skills as an in-game manager, pitting him against one of the great tacticians of the modern game, a wily 71-year-old named Louis van Gaal.

"In this knockout stage, anything makes a difference in the result," Berhalter said on Friday. "You have to be patient. And you have to realize that it could be a 120-minute exercise."

The U.S. has only ever won one round-of-16 match in World Cup history, a 2-0 victory over Mexico in 2002. Since then it has reached the knockout rounds of the tournament twice only to fall at this hurdle, in 2010 and 2014, and missed the World Cup entirely in 2018.

Should the U.S. manage to overcome the Netherlands, its reward for taking down the No. 8-ranked team in the world would be an even more brutal matchup—or three. If

the bracket progresses according to form, the teams theoretically standing between the U.S. and a far-fetched trophy in Qatar could be a murderers' row of Lionel Messi's Argentina, Neymar's Brazil, and Kylian Mbappe's France.

But Berhalter isn't thinking about any of that yet. His current obsession remains the Netherlands, a team that the U.S. began analyzing long before they arrived in Qatar.

"We've been watching Holland for the last 11 months, watching all their games," Berhalter said.

It's safe to say that Van Gaal will also leave nothing to chance. The Dutch manager is known as one of the most meticulous and calculating coaches in the game, armed with a set of principles that he is completely unwilling to change (unless, of course, he's losing and suddenly needs to change them).

"The U.S. has a chance because the Dutch team is not in its best form and didn't convince until this moment," said Henry van der Vegt, an assistant coach at PEC Zwolle in the Dutch league. "But there is always Louis van Gaal. He has some tricks in his mind."

The reason Van Gaal's latest approach hasn't impressed everyone back home in the Netherlands, a country they say has 17 million national-team coaches, is that many fans view his current 3-5-2 formation instead of a traditional 4-3-3 system as a shocking betrayal of Dutch soccer principles. Berhalter, who is spending every available

moment poring over it, finds the whole kerfuffle more amusing than controversial.

"I'm laughing, because there's always criticism in Holland," he said.

Edward Metgod is one of the 17 million Dutchmen who actually was a national-team coach, serving as an assistant on Van Gaal's staff at the 2014 World Cup. "The one thing you can say about Louis van Gaal is his choices are generally well overthought," he said.

That doesn't mean Van Gaal isn't prepared to adjust on the fly. During his last stint with the Dutch national team, at the 2014 World Cup, he famously used a cooling break in the scorching Brazilian heat to turn the Netherlands' round-of-16 match against Mexico on its head. The Dutch were trailing 1-0 in the 76th minute when the game went into a timeout for the players to hydrate. That's when van Gaal drew up an entirely new plan and removed his best striker from the game.

Berhalter is more familiar with those subtleties than most American coaches. As a new pro straight out of college, he spent six formative years in the Netherlands, absorbing everything he could from one of the deepest-thinking soccer cultures in the world.

"It's almost like, what concepts haven't I taken from Dutch football?" Berhalter said. "If I wasn't in Holland, I don't think I would have had that background, that building that shaped my ideas."



Cleveland Browns quarterback Deshaun Watson is set to return on Sunday.

OPINION

THE WEEKEND INTERVIEW with John Agresto | By Naomi Schaefer Riley

The ‘Suicide’ of the Liberal Arts

‘Mr. John, are you an Athenian or a Spartan?’ A group of Iraqi students put that question to John Agresto in 2003, when he was in Baghdad working to rebuild Iraq’s university system for the Coalition Provisional Authority. After a classroom discussion of Thucydides, he says, “I thought I knew what they were driving at. So I said, ‘I hope I’m an Athenian, cultured and sophisticated. I don’t want to be a Spartan, rough and warlike.’”

That was the answer the students were looking for—but Mr. Agresto had misunderstood the question. They wanted to know if Americans were like the Spartans. “The Spartans talked a lot about honor, their alliances and their friends,” he says. “And then they betrayed them. ‘Are you going to do that to us?’” Today’s educators like to talk about reading texts that are “relevant.” Nothing was more relevant to these young Iraqis than the “History of the Peloponnesian War.”

Relativism gets a bum rap, this veteran academic says. The pursuit of credentials and specialization was a lot more harmful.

Mr. Agresto, 76, is a lifelong champion of liberal-arts education—the subject of his new book, “The Death of Learning: How American Education Has Failed Our Students and What to Do About It.” It’s an unpopular cause: According to U.S. Education Department data, students who majored in English, history, philosophy, foreign languages or literature constituted only 4% of college graduates in 2020. The number of degrees awarded in each of these disciplines declined by between 15% and 34% between 2012 and 2020, while the total number of degrees rose by 14%.

Many young Americans—old ones, too—don’t see the point of liberal arts: “We are suspicious, because we don’t know what good they are and we don’t know what use they are,” Mr. Agresto says in a Zoom interview. But for those

students in Iraq, this was the first time they were “allowed to think about how you build a democracy, or what’s the place of religion in society or what is the role of my having a free and inquisitive mind” while also being “a person who obeys what the imam says. Once they got a taste of the liberal arts, that changed everything.”

Mr. Agresto lives in Santa Fe, N.M., but retains enough of his native Brooklyn, N.Y., accent to remind listeners that he didn’t come from the rarefied world of higher education. His Italian immigrant grandparents didn’t know how to read, and his parents kept no books in the house. He is disappointed that too many students today don’t have the opportunities for deep reading he was offered at his Catholic high school, let alone at Boston College and Cornell.

He classifies the death of the liberal arts as “suicide,” not “murder.” Americans, regarding themselves as a “practical” people, have always been suspicious of the liberal arts, Mr. Agresto says. Today’s inflated prices make them even more so: “A liberal education, thanks to the infinite wisdom of university and college administrators, costs as much as getting an engineering degree, but with little in the hope of secure future recompense,” he writes.

Recent trends within the academy have exacerbated the problem. Start with “specialization,” especially the growing prevalence of obscure theory and criticism, which tends to crowd out great works. In the book he asks: “If it was once hard for a graduating college senior to convince a prospective employer that studying Shakespeare and Cicero was useful, how much more difficult is the task when the fringes of graduate school are pushed down into the undergraduate curriculum?”

In our interview, he tells the story of a high-school student who told him: “I am so excited about history. I am learning how to think like a historian.” That distressed Mr. Agresto. “Have we so vocationalized the liberal arts?” he says. “The object of our teaching is not to make mini-me’s”—not to turn every student into a professor. “It’s fine to have the professionalization of medicine or engineering,



KEVIN FALLIN

but for liberal arts, I want amateurs,” he says. “Specialization in building an atom bomb is fine. Specialization in reading Chaucer is not.”

He worries that students are “making themselves small too soon” by picking a major without first getting a broad education. He contends that no matter what you want to become—one of his daughters is a nurse; the other operates a lighthouse—the liberal arts have something to teach you. “We should teach ordinary people to learn ordinary things,” he says, such as “the War of the Roses, the American Revolution” and “who Plato and Descartes were.” And not only because these are things an educated person should know, or because they may help you land a job, but because they can help answer “childish questions.”

He rattles off a list of such questions: “How should I live my life? What is justice? What do we owe ourselves? What do we owe others? Is democracy the best way of life? What is love?” These sound like deep philosophical inquiries. Does he really mean to call them childish? “You bet,” he says. “There’s hardly a child that doesn’t want to ask these questions.” And they are “the kind of questions that literature and history and philosophy and classical studies raise.”

The emphasis on credentials produces mediocrity, Mr. Agresto

says. A degree tells you little about what its holder knows. Referring to the controversy over whether First Lady Jill Biden should be addressed as “Dr. Biden” because of her doctorate in education, Mr. Agresto says he doesn’t understand why she wants to be. “The best teacher I had in college didn’t have a Ph.D.,” he says. When Mr. Agresto was president of St. John’s College, a small Great Books school, its catalog said: “While we expect most of our professors have Ph.D.s, we hope they rise above it.”

Mr. Agresto also faults the tendency to judge historical figures by today’s standards. Few read Plato, Rousseau or Madison anymore without introductory throat-clearing about how they lived in a different time when people held backward views. “I think the effort to put books, literature, authors, statesmen, in the historical context is a way of trying to be nice,” Mr. Agresto says—perhaps trying to be nice himself by attributing benign motives to the objects of his criticism. “It’s a way of saying, ‘Yeah, everybody has failings. They surely had feet of clay. But back then everybody had those. And so they’re no different. They’re just people connected to their time and place.’”

The trouble with that is that it strips great men of their relevance: “The kids will say, ‘I don’t live in that time and place. Why

should I care?’” It’s also “a way of puffing ourselves up. Students can say, ‘Jefferson? What a hypocrite, I’m better than he is. . . . Back then, they were benighted and not so smart. We know more than that.’”

Sentiments like these have accompanied a change in the attitude of students, which Mr. Agresto has noticed over his half-century career as a professor and administrator: “They have gone from docile to uninterested to fiercely combative.” He rarely disagrees with Allan Bloom, who taught him at Cornell, but he thinks Bloom was wrong in his 1987 book, “The Closing of the American Mind,” when he blamed higher education’s decline on relativism. “The people who are destroying the universities, who have killed the liberal arts, they’re not relativists,” Mr. Agresto says. “They ‘know’ what’s true, and they’re going to impose it.”

Mr. Agresto has been heartened by the backlash against censorship on campus. But he thinks that while free speech is necessary, it’s insufficient. “That’s not what college and high school are about, the study of clashing views. It’s the study of literature and history.” He clarifies: “Could we have a clashing view of whether Shakespeare was homosexual? I really would just prefer that people sit down and read Shakespeare.”

After all, “Shakespeare examines all the stuff we want to examine: justice between nations, justice between different ethnicities, what it means to be fully human, what it means to betray your friend, what it means to die for your friend.” It is part of Mr. Agresto’s charm that once he starts on these questions he can hardly stop: “Why does Cordelia love her father?” he muses about King Lear. “He’s a damn fool, but she still seems to love him, but in an odd way, in a way that doesn’t just give in to him, but that tries to raise him up.”

It’s a little like Mr. Agresto’s relationship with higher education. It’s full of damn fools, but he loves it and wants to raise it up.

Ms. Riley is a senior fellow at the American Enterprise Institute and author of “No Way to Treat a Child.”

The Ex-President Influencing Georgia’s Senate Runoff Isn’t Trump



CROSS COUNTRY
By Mene Ukuaberuwa

Atlanta
Barack Obama is a savvy political analyst. Speaking at a rally on Thursday with Sen. Raphael Warnock, Mr. Obama acknowledged that the Democrats’ success in the midterm elections wasn’t the product of their policies or message. Nor did he credit his successor, President Biden, whose name he barely mentioned. Rather, he said Republicans defeated themselves.

“Let’s face it,” Mr. Obama told the crowd of thousands at Atlanta’s Pullman Yard event center. Democrats kept the Senate because “somewhat crazy folks—election deniers—got beat.” Mr. Warnock nodded along from the stage, and the knowing crowd said amen.

They’re right. Democrats kept control of the Senate by beating superb opponents in Arizona, Pennsylvania, New Hampshire and elsewhere. Mr. Warnock also outperformed his opponent, football star and political newcomer Herschel Walker, but they’re squaring off again in a Dec. 6 runoff election because Mr. Warnock failed to secure the 50% vote share required to win outright.

Still, Democrats’ broader victory made Mr. Warnock’s task much easier. With the Senate settled, a vote for him is no longer principally a vote to enact more Democratic policies. Georgia voters are at liberty to go with the candidate whose style they prefer. And Messrs. Warnock and Obama are great salesmen of the Democratic Party’s style.

The main point of Mr. Obama’s remarks was to cast the current Democratic Party as heir to and embodiment of the civil-rights movement and to portray a vote for Mr. Warnock as a vote for “justice.” He said little about Mr. Warnock’s agenda, but he urged the crowd to the polls by saying, “Imagine if after the Emancipation Proclamation all the abolitionists and civil-rights activists had said, ‘We’re OK now, let’s go home.’”

Mr. Obama invoked the memory of a 106-year-old black woman who voted for him in 2008, saying she “witnessed the arc of history bend in the direction of justice” when he was elected. He said that Georgians weary of having to vote twice in a month should remember “the men and women who had to endure the sting of discrimination, and the smack of the billy club” but “didn’t get tired.”

This pitch sounds like a mighty

stretch if you’re inclined to believe that Mr. Obama uses the word “justice” as a stand-in for the policies he pursued as president. But if you ignore that, it’s stirring. It’s also perfectly suited for the campaign of Mr. Warnock, a minister who goes even further in appropriating the civil-rights struggle by claiming to be a victim of voter suppression.

Barack Obama is rallying Democrats for Raphael Warnock. Herschel Walker lacks comparable help.

“The other side is already playing games,” he told the crowd. He described a legal battle his campaign won against the state to allow early voting on Saturday, Nov. 26, despite a Georgia law that bars voting on the day after a holiday (the Friday after Thanksgiving is a state holiday). The law explicitly mentions primaries and general elections but not runoffs, so Mr. Warnock persuaded a judge to allow the extra day of voting, and Republican Secretary of State Brad Raffensperger said he may be right

about the technical merits. Still, it hardly seems worth raising the specter of suppression, especially in an election where early turnout has smashed the state’s previous record.

Mr. Warnock’s message is tuned to the coalition of liberal voters who have shifted the balance in a formerly deep-red state. One part of that group is black residents, who have long made up nearly a third of the state but have increased their turnout at a higher rate than whites since 2016. The other part is newcomers, white and black, who helped make Atlanta the nation’s third-fastest-growing metropolitan area in 2015-20. The influence of these voters has been enough to flip counties like Cobb and Gwinnett, former GOP strongholds in the populous Atlanta suburbs.

Mr. Walker intended his candidacy to arrest this trend, and Donald Trump persuaded him that he was fit for the job. In 2020 Mr. Walker was one of many black supporters to speak on Mr. Trump’s behalf at the Republican National Convention, and his brief speech was effective, dismissing accusations that Mr. Trump is a racist and praising his economic record.

But Mr. Trump’s reputation fell a long way in Georgia after he

claimed the election was stolen. Mr. Walker’s has fallen too. In October two women alleged he’d asked them years ago to abort pregnancies resulting from affairs. He denies the claims, but they’ve helped scare off some of the pro-life voters he hoped to win back.

Mr. Walker’s appeal is greatest when he shifts attention from himself and puts the focus on conservative values. That’s what he did at a Monday rally in Forsyth County, a GOP stronghold northeast of Atlanta where he’ll need to run up the score. He attacked Mr. Warnock on crime for “talking about releasing people out of prison” and on his opponent’s 2011 quip that “nobody can serve God and the military.” The crowd seemed glad to see him stay on message, which he hasn’t always managed.

He didn’t mention Mr. Trump, who carried the county twice on a similar platform, and his campaign has asked the former president not to appear on his behalf in the state. There’s still a big audience in Atlanta’s suburbs for a robust brand of conservative values. But it seems notable that, in this election, Mr. Obama is in and Mr. Trump is out.

Mr. Ukuaberuwa is a member of the Journal’s editorial board.

At Soccer’s World Cup, an American and Dutch Treat

By Almar Latour

The moment the U.S. beat Iran 1-0 in Qatar, pundits feverishly declared that “the most politically charged” soccer game of the 2022 World Cup was behind us.

But clearly this judgment was rash. Another game with profound geopolitical undercurrents will take place Saturday: the U.S. against the Netherlands.

Waarom, you ask? The high-stakes matchup is the latest manifestation of what seems to be a broader U.S. push to imitate—and then surpass—the Netherlands. Call it the Dutchification of America.

It’s true for the match itself: The U.S. coach spent years in the Netherlands studying Dutch soccer, and his *elftal*, or team, is slated to play in

what appears to be inspired by traditional Dutch style.

But look around and you see the U.S. out-Dutching the Dutch everywhere. Stroopwafels used to be a Dutch delicacy only. Today there are stroopwafels everywhere in the U.S., even at Starbucks and on airplanes, where they are handed out alongside tiny bags of pretzels.

Amsterdam has long been known for having coffee shops where weed was sold. Many U.S. states legalized pot and now the entire island of Manhattan has turned into a gigantic coffee shop.

The Dutch king is from the House of Orange. Some in the U.S. were said to push for an orange king of their own.

When Jeff Bezos blasted to the outer edges of the atmosphere in his

rocket ship, he took along an 18-year-old Dutch kid—perhaps a triumphalist move, as the Dutch don’t have their own rocket, or perhaps to study how the Dutch behave in space.

The match reflects a U.S. push to imitate—and then surpass—the Netherlands.

Clearly Americans are determined to become better at being Dutch than the Dutch. Just how far could that go?

Taxes and regulations in some states appear to be taking a Dutch direction. Wind turbines are spreading fast in the U.S., vastly

outnumbering their ancestral traditional windmills in the Netherlands.

If the U.S. continues as a Zelig-like nation vis-à-vis Holland, then what’s its endgame? Policy makers here may want to take heed of some pivot points in Dutch history such as when, in the mid-18th century, the Dutch navy was surpassed in strength by the British. With that, the tiny nation effectively ceded its international-power status.

Over time, the Netherlands simply became more vulnerable to the ups and downs of the world. A country that, at times of crisis, could pay a high price and wasn’t always completely in charge of its own destiny. A country relatively vociferous and active on the world stage, but one with fewer listeners than a big power.

Today, the Netherlands is a small but wealthy nation with a largely contented people.

Back to soccer. In women’s soccer, the U.S. has long outplayed the Netherlands and everyone else to reach the absolute world top. If the U.S. men’s team beats the Dutch on Saturday, they could eventually become like the Dutch on the soccer scene: a powerhouse that made the finals. The next step would be to best that record and actually win the championship, in a way marking the final chapter of U.S. Dutchification. What the U.S. will look like by that time not even the Dutch know.

As to Saturday’s game, my only hope is this: May the best Dutch win.

Mr. Latour is publisher of the Journal.

OPINION

REVIEW & OUTLOOK

Where Did Young Male Workers Go?

The Labor Department's November jobs report on Friday certainly didn't make the Federal Reserve's anti-inflation task any easier. Strong job and wage growth suggests demand for workers still exceeds the supply, and inflation is still too high.

Employers added 263,000 jobs last month though gains were revised down by 23,000 during the previous two. Private payrolls increased by 221,000 with hiring broad-based, including in leisure and hospitality (88,000), healthcare (45,000), construction (20,000), media and tech (19,000), manufacturing (14,000) and real estate (13,000). There's no sign of a recession in this jobs data.

Retail lost 30,000 jobs, probably owing to spending shifts to services from goods, which was bound to happen as the pandemic faded. Workers who lose jobs in department stores are finding them in other places. Notwithstanding reports of layoffs in Silicon Valley, plenty of businesses are hiring.

The problem is they still can't find enough workers. The civilian labor force on the household survey shrank by 186,000 last month while the participation rate ticked down 0.1 percentage point to 62.1%. As a result, the unemployment rate stayed flat at 3.7%. Labor force participation remains significantly down from 63.4% before the pandemic.

It's not merely a result of more baby boomers retiring. Labor force participation among males ages 25 to 54 has slid to 88.4% from 89.3% before the pandemic. Don't blame long Covid. The decline is most pronounced among young men. Labor participation among males ages 20

to 24 has fallen 1.7 percentage-points since January 2020 versus 0.5 for those ages 45 to 54.

One culprit may be generous Covid transfer payments. A recent Federal Reserve report estimated that U.S. households as of mid-2022 were sitting on \$1.7 trillion in excess savings—i.e., above savings they'd have if consumer spending and income had grown at pre-pandemic trends. A big reason is federal stimulus payments, child tax credits and more.

Congress in March 2020 boosted food-stamp benefits and waived work requirements as long as the national public-health emergency declaration is in effect. President Biden says the pandemic is over but won't end the formal emergency. Food-stamp beneficiaries are receiving on average \$227 per month—nearly twice as much as before the pandemic. Student loan payments have also been waived, which has saved the average borrower \$12,800.

Milton Friedman's insight that monetary policy works on the economy with long and variable lags may be true of pandemic fiscal policy too. This could hinder the Fed's efforts to tamp down inflation. Wages are continuing to rise at a fast clip as employers struggle to hire and keep workers. Private average hourly earnings were up about 0.6% in November or 6.6% at an annual rate.

Workers are also demanding higher wages to compensate for inflation. United Airlines pilots last month shot down a contract offering a nearly 15% raise over 18 months, and American Airlines pilots union rejected a 19% raise over two years. Let's hope the modest decline in inflation in recent months isn't transitory.

The NAACP called Judge Brasher's record "one of extremism and bias, rather than impartiality and fairness." The Alliance for Justice

accused Judge Grant of "advocating against civil rights, women's rights, health care, and workers' rights." The chief distinction of Trump appointees, the outfit said, is "absolute adherence to right-

wing ideology." How about adherence to the law and respect for the separation of powers? Last week the Supreme Court, which includes three Trump appointees, declined to block the release of Mr. Trump's tax returns to Democrats on the House Ways and Means Committee.

Last year federal district Judge Trevor McFadden, another Trump appointee, also ruled against the former President. Mr. Trump was "wrong on the law," Judge McFadden wrote. "A long line of Supreme Court cases requires great deference to facially valid congressional inquiries." He added that "courts are loath to second guess congressional motives or duly enacted statutes."

Mr. Trump often complains about judges who rule against him, including at the Supreme Court. But the truth is that the former President consistently appointed judges whose first loyalty is to the law and Constitution. Democrats and the press corps won't credit the Trump judges for these independent rulings, but we thought readers might like to know.

Trump Strikes Out Before His Judges

Remember how liberals claimed that Donald Trump's judicial appointees would serve as legal bodyguards, shielding him in his post-Presidency? Sorry to disappoint.

On Thursday an Eleventh Circuit Court of Appeals three-judge panel dismissed Mr. Trump's objections to the FBI's Mar-a-Lago search and district Judge Aileen Cannon's appointment of a special master to review seized documents. The panel included Chief Judge William Pryor, who was appointed by George W. Bush, and Trump-appointees Britt Grant and Andrew Brasher.

"The law is clear. We cannot write a rule that allows any subject of a search warrant to block government investigations after the execution of the warrant," the panel wrote. "Nor can we write a rule that allows only former presidents to do so. Either approach would be a radical reordering of our caselaw limiting the federal courts' involvement in criminal investigations. And both would violate bedrock separation-of-powers limitations."

Liberals claimed that the special master appointment in September by Judge Cannon, also a Trump appointee, augured the end of an independent judiciary. You don't hear them recanting their prophecies now that she has been overruled by two other Trump appointees. Nor their political attacks on Judges Brasher and Grant when they were nominated.

Guess whose appointees keep putting the law above political loyalty?

Kari Lake Is the New Stacey Abrams

Kari Lake wants the public to forget she lost the Arizona gubernatorial race by 17,116 ballots, or 0.7 percentage point, which is outside of recount range. She's now calling the election a "sham." Congrats, Ms. Lake, you've earned the 2022 Stacey Abrams Sore Loser Award.

Election Day in Arizona included real problems in Maricopa County, home to Phoenix and more than half the state's population. But it simply isn't believable that these snafus cost Ms. Lake the election. How did she perform in Maricopa specifically, compared with other Republicans?

Ms. Lake received 77,342 fewer votes than GOP state Treasurer Kimberly Yee.

Ms. Lake received 39,165 fewer votes than the combined GOP U.S. House candidates.

Ms. Lake received 23,901 fewer votes than GOP county prosecutor Rachel Mitchell.

These figures are especially striking because voter interest wanes down the ballot. Compared with the Governor's race, 78,000 fewer people voted for local prosecutor. Yet Ms. Mitchell still won more raw ballots than Ms. Lake.

If granular numbers tell the story better, the Arizona Republic points to a Maricopa precinct called Bayshore, where it says Republicans have an 11-point registration advantage. The state's three Trumpiest politicians all lost the precinct. Ms. Lake garnered 2,003 votes. Senate aspirant Blake Masters took 1,911. Secretary of State nominee Mark Finchem had 1,877.

Ms. Yee won Bayshore with 2,229 votes, 11% more than Ms. Lake. Ms. Mitchell earned 2,080. A GOP state Senator had 2,120. The takeaway? Ms. Lake would have won if she hadn't alienated mainstream Republicans. But she called John McCain a "loser" and echoed President Trump's debunked 2020 fraud claims. Some GOP voters don't want a Governor who will say almost anything for a pat on the head from Mr. Trump.

The screw-up in Maricopa was that many ballot

printers were producing ink too light to be scanned by on-site tabulators, though it was "easily readable by the human eye," the county says. A Wash-

ington Post analysis found that precincts with printer issues were 37% Republican, close to the 35% for the county overall. Some affected areas were heavily Democratic.

The county says the longest reported wait time at 85% of its 223 vote centers was under 45 minutes, and half were under 15 minutes. But at seven locations it was 80 to 115 minutes. This is not acceptable.

Maricopa should promise it won't happen again and acknowledge that some potential voters could have been discouraged. On the other hand, the county's model is flexible: Residents aren't locked into a polling place and can cast a ballot at any voting site. Many people surely routed around bottlenecks.

As a fail-safe, ballots that won't scan can go into a secure slot on the tabulator box, marked with a number 3, to be tallied later. Yet conspiratorial Republicans urged voters to refuse. "DO NOT PUT YOUR BALLOT IN 'BOX 3,'" tweeted Arizona GOP Chair Kelli Ward. In the end, 16,724 ballots went into those slots. The county says all were tabulated. Another 206 voters checked in at one site and cast a ballot at another.

Ms. Lake's argument is that fed-up voters left the line or even stayed home. Perhaps some did, Democrats included: After all, Governor-elect Katie Hobbs won Maricopa, 51.1% to 48.6%. But how can Ms. Lake blame no-shows for her loss, when other GOP candidates in Maricopa outran her by tens of thousands of votes?

Arizona is waiting on Cochise County to certify its results, and then Ms. Lake is promising to challenge the election in court. We'll see how that turns out. One of her claims is that Ms. Hobbs, as the current Secretary of State, was "the woman in charge of running her own election." Where have we heard that one before? Oh, right, Stacey Abrams in Georgia in 2018.

LETTERS TO THE EDITOR

Disparities, Discrimination and a Skills Gap

I read with interest Roland Fryer's op-ed "Disparity Doesn't Necessarily Imply Racism" (op-ed, Nov. 26). I confess that I was motivated to study it closely once I realized it was written by a black scholar, and therefore promised a unique perspective. Mr. Fryer argues that skills are the most important factor, not race, in determining wage levels. He cautions that bigotry is often at work as well, but it is overemphasized. He wisely encourages black youth to develop skills and take advantage of this reality.

I came away, however, somewhat dismayed. Mr. Fryer's point is well-taken, but it is the underlying reasons for the skills gaps—historically ingrained and pretty intractable—that more urgently deserve our attention.

RICK LAVELLE
Sacramento, Calif.

Like Mr. Fryer, I, too, have the voice of relatives touting racism in my head. They argue that the pernicious practice seeps into every aspect of American life. Then there's the data Mr. Fryer sets forth. Blacks and whites with equal skills enjoy equal opportunity. Racism isn't always at play.

The counter, however, is to ask whether racism presents a hurdle to gaining those very skills. Is racism preventing blacks from getting through urban high schools? Is it preventing blacks from receiving college scholarships? Is it preventing blacks from reaching the C-suite? One need only look at the amount of money poured into urban school districts, the ethnic- and race-based scholarships and the time and programming in place to foster workplace mentoring to find the answer to these questions.

PROF. CHRISTOPHER BROOKS
East Stroudsburg University
East Stroudsburg, Pa.

Has there been anything more damaging to black economic achievement than the myth that black skill acquisition won't pay off in the marketplace because of discrimination? Black high-school students spend around a quarter as much time as Asian students studying outside the classroom. One cause of this disparity must be that many Asians see a high return to skill acquisition and many blacks, mistakenly, do not.

A great virtue of a competitive market economy is that employers must hire the best workers they can get at the market wage or risk being driven from the marketplace by lower-cost competitors. There may be racists in society, but there can be very few in competitive industries that make decisions on hiring, firing, pay and promotions. If blacks were earning less than whites with the same skills, black wages would be bid up by profit-maximizing entrepreneurs.

PROF. DOUGLAS COATE
Rutgers University, Newark
Newark, N.J.

Although I'm sure many will take comfort from Mr. Fryer's work, I'm troubled by the implicit "all else being equal" assumption that underlies it. But all else is not equal, as I'm sure his grandma would mention.

I'm neither a sociologist nor an economist, but all can see there are any number of race-based factors that make it more difficult for black students to achieve equal qualifications. Even if workplace racism isn't the cause of disparity in pay and performance between blacks and whites, there's still a lot of work to be done to equalize the opportunities to attain those elusive equal qualifications.

RICHARD G. LITTLE
Williamsburg, Va.

From Ireland to America, a Romance Story

I want to thank Peggy Noonan for her Irish poetry ("Home Again, and Home Again, America for Me," Declarations, Nov. 26). Like her great-aunt Jane, I, too, brought along the spiritual luggage of the old country when I immigrated here, and I still have my mother's rosary beads, a farewell gift.

America was built on hope—that of the Pilgrims and everyone else who has stepped off the boat or plane since, wondering: What am I doing here? What's in store? I'm still here, still trying to romance my adopted country, still hoping we can realize our dreams, still hoping our first date will work out. Thanks, Ms. Noonan, for rekindling the romance.

ARTHUR MCCAFFREY
Boston

The dearth of excellent storytelling we experience in so many venues makes Ms. Noonan's latest column like a warm fire in winter. Granted, the story of immigrant struggle is harsh, like many stories told over the years at the Al Smith dinners. Perhaps there is an unconscious hope in that struggle that speaks to our souls in these anxious times. Perhaps it is the living thread of history that courses through Ms. Noonan and her family that connects the rest of us, even from a continent away. Either way, it was a joy to read (several times) and I can add another item to last week's list of experiences for which I am thankful.

DAVID ATKINSON
South Pasadena, Calif.

Will Americans Enforce the Law of the Land?

slThomas Abt's "The U.S. Knows How to Reduce Crime" (Review, Nov. 26) is compelling. The average American's No. 1 concern probably isn't gun violence, however, because most aren't likely to experience it. Their victimization tends more toward property crime, and lately they have been told that local police and prosecutors aren't interested in protecting them or solving these crimes.

Out With the Old Climate Orthodoxy, in With the New

Holman Jenkins, Jr. is right: A watershed in our understanding of climate change has just passed ("Climate 'Reparations' Are a New Name for Foreign Aid," Business World, Nov. 26). No longer is the "orthodox greenhouse-controlling mission" to reduce carbon emissions enough to keep our climate from horrendous heating. The new orthodoxy asks that we reduce emissions only so that we heat our air and raise the seas slowly. This would give us time to adjust to, say, Florida no longer being a good place to grow oranges before we had to deal with Kenya no longer being a good place to grow coffee.

This century's warming will take time to settle into a new equilibrium. Reparations are a side issue. They are related to hot air of a different kind.

TOM DAY
Stevenson Ranch, Calif.

What's in a Name, You Ask?

In his review of the film "Glass Onion" (Arts in Review, Nov. 25), Kyle Smith wonders, "Why is Daniel Craig's Southern accent so terrible?" Perhaps because it isn't a Southern accent at all. It is a Cajun accent. The name Benoit Blanc should have been enough of a clue, and Mr. Craig does a convincing job of a very specific dialect.

KIMBERLY ROCKWOOD
South Burlington, Vt.

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Pepper ... And Salt

THE WALL STREET JOURNAL



"I used to be afraid of running out of money in retirement back when that was a thing."

OPINION

Psychos in the C-Suite



DECLARATIONS
By Peggy Noonan

It is my impression we're making more psychopaths. I can't back this up with statistics because doctors don't write "total psycho" on the diagnosis line. Psychopathy isn't a diagnostic category and is largely viewed as part of a cluster of antisocial personality disorders. But doctors commonly use the term and it has defined characteristics. The American Psychological Association calls it a chronic disposition to disregard the rights of others. Manifestations include a tendency to exploit, to be deceitful, to disregard norms and laws, to be impulsive and reckless, and, most important, to lack guilt, remorse and empathy. The APA has reported 15% to 25% of prison inmates show characteristics of psychopathy, far more than in the general adult population.

While they don't seem to feel shame, they are preoccupied with being thought of as highly moral.

But that's where I see growth. Subtle psychopaths, the kind who don't stab you, are often intelligent, charming and accomplished. I believe two are currently in the news. (I confine myself to the business sphere, leaving out the equally rich field of politics.)

Elizabeth Holmes was just sentenced to 11 years in federal prison for defrauding investors in her famous Theranos scam. People used to ask why she did it. By now that's clear. She did it to be important. She wanted to be admired. She wished to be thought a genius, a pioneer. She no doubt wanted money, though part of her con was to live relatively modestly—she

wore the same black turtleneck and trousers most days. She wanted status, then and now as Tom Wolfe said the great subject of American life. And she seemed to think she deserved these things—that she *merited* them, simply by walking in. One thing you pick up as you read John Carreyrou's great reporting, in these pages and his book, is that she seemed not at all concerned with the negative effects of her actions on others. She didn't seem to care that investors lost hundreds of millions, people lost jobs, the great men she invited on her board were humiliated.

Sam Bankman-Fried's cryptocurrency-trading firm, FTX, collapsed last month. We're still in the why-did-he-do-it phase—*Was it deliberate deception? Untidy bookkeeping? Visionaries often leave the details to others!* We make mysteries where there aren't any. He had a great life while it worked! He made himself famous, rich, admired—friend of presidents and prime ministers, the darling of a major political party. To the Democrats he was the biggest thing since George Soros.

But somehow a valuation of \$32 billion was, in a matter of weeks, turned into, or revealed as, nothing. FTX filed for bankruptcy on Nov. 11, and FTX's new CEO, John Ray, said he believed gross negligence was involved and a "substantial portion" of FTX customers' assets may be "missing or stolen." Soon after, the crypto firm BlockFi filed for bankruptcy in New Jersey and Bermuda.

A peculiarity of subtle psychopaths is that while they don't seem to feel shame, they are preoccupied with being thought of as highly moral. Ms. Holmes was simply trying to help sick people get their blood tested more easily. This was part of her origin myth—a relative's illness made her sensitive to the needs of the suffering. Mr. Bankman-Fried gave away millions and became the public face of a movement called effective altruism. He was just trying to help the less fortunate live better



BARBARA KELLEY

lives! And he was so modest about it, eschewing material things, clad in rough sandals, a thin T-shirt, shorts. Like the young St. Francis, stripping himself naked that his robes might be sold for the poor.

I don't know if Elon Musk fits in this category. I hope he's an eccentric genius with a moral core and not a psychopath. We'll find out! It's good he's in space. His buying Twitter has excited lots of people, frightened others. If he merely changes that public square from an entity of the left to an open entity, good. We'll see how content moderation goes. But many conservatives see him as a kind of savior. Is he? Saviors by definition save others.

Does he strike you as preoccupied by the needs of other people? Evince an old-fashioned interest in the public weal? He offers to buy the site, changes his mind, tries to back out, is forced to honor his agreement, takes over. In the ensuing chaos he tweets out memes of a whore tempting a monk, to illustrate, strangely,

his invitation to Donald Trump to rejoin the site. He tweets out photos of his bedside table—two life-size handgun replicas and scattered cans of Diet Coke. It looked as if a school shooter lived there.

"He stands for free speech." Mr. Bankman-Fried stood for selflessness and "responsible" regulation of crypto. Ms. Holmes stood for thinking outside the box and breaking through false limits. They all believe in something.

My fear with Mr. Musk is that if a scientific paper came out saying eating baby parts will add half a century to your life, he'd tweet: *We can grow the babies in discarded ship containers and eat them—for the squeamish, God didn't make them, I did so there's no soul or anything.*

But again, most interesting in psychopaths is the lack of remorse. They don't like being caught—that upsets them—but they don't mind causing others harm. It's their superpower. They're not hemmed in by what limps you.

Which is a conscience. People often refer to their consciences—they say things like "My conscience is clear." It's not an unknown entity to them. But they seem to think it's something they were born with, like a sense of smell. When actually a conscience has to be formed and developed or it doesn't work.

Every major faith in the world has thoughts here. In Catholic teaching, says Father Roger Landry, Columbia University's Catholic chaplain, the traditional definition of conscience is "a judgment of the practical reason applying moral principles to concrete circumstances leading to the conclusion to do or not do something."

"Many people today confuse their conscience with their opinion or even with their feelings about what is the right thing to do or avoid," he said in an email. "Many think that if their intentions were good, and they desired a good outcome, then the action would be morally fine. But, as is obvious, sometimes we will feel good about doing something wrong (I stole, but he was rich; I insulted her, but she deserved it.)" A conscience must be informed "with the truth that comes from God—the Ten Commandments, the Beatitudes, corporal and spiritual works of mercy, other passages in Sacred Scripture, the moral teachings of the Church." These things "illuminate our eyes so that we may see things more clearly."

"Conscience can make erroneous judgments, either because it identifies wrong principles (e.g., personal autonomy as the supreme value), or has the right principles in a disordered rank (prioritizing not hurting others' feelings over helping the person give up drugs.)" But to form a conscience we have a duty "to tune into God's frequency rather than our own echo chamber, or the confused noise that can come from culture."

We need better consciences. If we got them, we'd have fewer psychopaths.

When Time's 'Man of the Year' Meant Something

By Lance Morrow

Time magazine's Man of the Year selection once was a bigger deal. So, for that matter, were the Academy Awards and the presidency. It was a different time.

During my 40-year career at Time, I wrote seven Man of the Year cover stories. It was called Man of the Year in those days but Time by no means excluded women from consideration. In 1976 I did the Women of the Year story about outstanding women in various fields. A man wouldn't get that assignment today. It would have to be written by a woman.

In earlier generations, Wallis Simpson, who caused King Edward VII to leave the throne, became Woman of the Year in 1936. A year later, Chiang Kai-shek and his wife, Soong May-ling, were Man and Woman of the Year. The title officially changed to Person of the Year in 1999—an ideological smudging that I find a little prissy. I suppose it can't be helped.

In the old culture, appearing on Time's cover was a secular version of being beatified by the Catholic Church. To be Man of the Year was equivalent to being canonized a saint—or perhaps winning a Nobel Prize. Maybe better. Time stipulated, however, that the Man of the Year might be a devil. It was the person who had most affected the course of the year's events "for good or ill." Thus, Hitler was named in 1938 and Stalin in both 1939 and 1942. The Ayatollah Ruhollah Khomeini was Man of the Year in 1979.

Whenever Time deemed a monster to be the year's most consequential figure, the editors braced for an avalanche of angry letters, and hundreds of subscriptions would be canceled. The editors—high-minded, long-suffering—would repeat their formula: "The person who, for good or ill . . ."

The Man of the Year idea originated during a slow week toward the end of 1927. The editors, stumped for

an outstanding figure in that week's news to put on the magazine's cover, had the bright idea of choosing the outstanding figure in the news of the entire year. That led them to Charles A. Lindbergh, who had flown solo across the Atlantic in May. Time hadn't made much of the story at the time, and now the editors, in what proved to be a stroke of genius, repaired the error by putting the Lone Eagle (tall, handsome, laconic, daring, all-American and, as the voice of 2022's wokeness might pipe up, incredibly white) on the cover as Man of the Year.

Henry Luce's Time nearly always presented a person on the cover. Luce, a missionary's son and classics major at Yale, had studied his Plutarch. He had absorbed Thomas Carlyle's theory: "The history of the world is but the biography of great men." The idea made for vivid journalism: The human story captured the reader and served as armature for the Big Ideas, of which Luce was fond. You always mentioned what the presidential candidate had for breakfast. Alf Landon of Kansas, running against Franklin D. Roosevelt in

1936, ate a hearty breakfast of porridge, scrambled eggs, orange juice and kidneys. No reader ever forgot the kidneys. Of course, a phenomenon such as climate change or the pandemic may make a fool of the great-man theory.

Subjects of the magazine's annual story were once viewed as secular saints—or, on occasion, devils.

My best Man of the Year story was my first. It was about "The Middle Americans," chosen as Man and Woman of the Year in 1969. The piece was a long, cautiously sympathetic discussion of the constituency—almost exactly half the country—that had just elected Richard Nixon president and had started to push back against urban rioting (or protests, if you like) and the rest of the disorderly, libidinous and, in any case, un-Rotarian 1960s.

I recently reread the piece and

was astonished to find that the country has hardly changed in the 53 years since I sat down to write it. It's nonsense to say that, of course, but the mindset of the Nixon-Agnew Middle America of 1969 eerily prefigures that of MAGAland in 2022. Time could reprint my story today and the essence of it would still seem right. The country and the world might have changed in every respect (culturally, morally, electronically), and yet certain passions, patterns of mind, the "ways" of people, remain stubbornly as they were before. The novelist John Dos Passos knew his subject when he wrote (in the mid-1930s, referring to the Sacco-Vanzetti trial of the mid-1920s): "All right, we are two nations."

These days, Time magazine, though much changed, wisely preserves the Person of the Year franchise. For weeks leading up to the announcement, the editors encourage public participation. Online responders, confronted with a list of possibilities, one after another, click either yes or no to each name in turn. On one recent day when I

checked the tallies, Donald Trump came in at 3%, a point ahead of Vladimir Putin, King Charles and Bad Bunny, the Puerto Rican rapper. Beyoncé did better, with 5%, the same score posted by Joe Biden, Liz Cheney and Lizzo (the singer, rapper and flutist).

This year, if I had to guess, the editors will choose Volodymyr Zelensky. It's easiest to write a hero's tale. If Mr. Zelensky is the choice, Time's writer will have a hard slog to sort out the geopolitics of the Russian war against Ukraine. But at the core of the Person of the Year piece will be the story of diminutive, indomitable Mr. Zelensky, hero and underdog in his war leader's T-shirt. The writer will take advantage of another lively character as his foil and villain: Vladimir Putin. The drama is Shakespearean, which is the way that Henry Luce liked to serve up his journalism.

Mr. Morrow is a senior fellow at the Ethics and Public Policy Center and author of "The Noise of Typewriters: Remembering Journalism," forthcoming in January.



BUSINESS
WORLD
By Holman W.
Jenkins, Jr.

Call it the buildup to a letdown, as the latest of the required intelligence reports to Congress on the UFO question undergoes a prolonged and likely angst-filled vetting before being delivered to the relevant committees.

A month has passed since its leaked contents were detailed in the New York Times, and still the document has not appeared and it's not hard to guess why. Its findings will be surprising only to those who imbibed previous official disinformation

The UFO Bubble Goes Pop

on so-called UAP, or unidentified aerial phenomena. The most credible and widely trumpeted sightings by Navy pilots now are explained as illusions. Though Chinese surveillance drones do operate in areas where U.S. training flights occur, these are conventional drones, with no unusual capabilities. They aren't the uncannily speedy, supernaturally maneuverable objects mentioned in previous accounts.

Oops. But at least Biden officials have become alert to the risks of the defense establishment's indulgence of the UFO bunco. The belated fessing up, if it comes, arrives just as Reason magazine, under the headline "The Military-UFO Complex," points out the suspect incentives behind the alien-visitation racket, which started five years ago with the purported "leak" of pilot videos. The author correctly notes also a "creeping weirdness in the Pentagon" on the subject of unidentified aerial phenomena.

Bingo. Last year's first mandatory intelligence report in what now seems a misdirection claimed several sightings "appear to demonstrate advanced technology." A procession of current and former officials in the media hinted at secret and disturbing knowledge. The public was listening, with academics speculating that the long history of such now-validated sightings means aliens have been among us for decades if not millennia. America's allies and adversaries were listening too, and reasonably wondered if our military pilots were

actually recording encounters with secret U.S. super-capabilities that might tip the military balance.

A year ago NASA's Bill Nelson was enjoying the frolic, telling the press, "Who am I to say that planet Earth is the only location of a life form that is civilized and organized like ours?" More recently, he seems to have recognized that matters were getting

Watch the skies? No, watch our intelligence agencies and their penchant for disinformation.

out of hand and launched a NASA research project with the implicit purpose of delivering to the American people the non-hysterical truth that our intelligence agencies, for some reason, were withholding.

Former Obama CIA chief John Brennan, who by now should be recognized as a reliable font of disinformation, told a podcaster two years ago that the evidence indicated "some type of phenomenon that . . . constitutes a different form of life." If the Times is right, he and colleagues have known this was bunk all along. UFOs were a smokescreen. At best, their motive may have involved wanting to conceal their knowledge of Chinese spying techniques. But don't dismiss the possibility that they see a Putinesque benefit in keeping

Americans bamboozled and susceptible to manufactured panics and conspiracy theories.

The New York Times itself, after the cockpit videos surfaced in 2017, became a giddy and credulous purveyor of UFO disinformation. In its latest reporting debunking the phenomenon, it now cites a "long history of the U.S. government using speculation over conspiracy theories to prevent secrets from becoming widely known."

Quite a change in tone, but then the UFO kerfuffle has much in common with the FBI and intelligence community campaign to promote the false Russia collusion story. It has much in common with the convoluted efforts of former FBI chief James Comey to turn false piffle masquerading as "Russian intelligence" into the secret but widely leaked justification for his improper actions in the Hillary Clinton email case.

Finally the real danger comes into view, and it's not aliens or even Chinese or Russian possession of super-advanced technology. It's intelligence officials who think their job includes promoting false and tendentious information to the American public for their own purposes. The representative spy of our time really is Britain's Christopher Steele, presumably trained by MI6 in both information and disinformation techniques, though it was only the latter that he peddled to his private clients, including the FBI and the Clinton campaign, in the collusion hoax.

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THE WALL STREET JOURNAL.

Saturday/Sunday, December 3 - 4, 2022 | **B1**

DJIA 34429.88 ▲ 34.87 0.1% NASDAQ 11461.50 ▼ 0.2% STOXX 600 443.29 ▼ 0.2% 10-YR. TREAS. ▲ 6/32, yield 3.502% OIL \$79.98 ▼ \$1.24 GOLD \$1,795.90 ▼ \$5.20 EURO \$1.0543 YEN 134.31



A worker is escorted by security guards in white personal protective clothing at a Foxconn factory in Zhengzhou, the world's biggest assembly site for iPhones, during a recent protest.

Companies Use Some Creativity To Raise Capital

Sweeteners like extra dividends or preferred-note status are offered to woo wary investors

By **CORRIE DRIEBUSCH**
AND **LAURA COOPER**

The end of the era of easy money is forcing companies that need cash to get creative.

Dozens of companies have recently raised money through so-called structured private funding rounds, and bankers and lawyers say there are many more in the works.

A number of companies with depressed stocks and limited access to traditional financing are doing so, often adding sweeteners like extra dividends or preferred-note status to lessen the risk and make the deals more attractive for investors.

Some, like electric-vehicle maker Lordstown Motors Corp., are announcing them after they are done, in an effort to limit an additional drop in share price. Typically, public companies disclose plans to sell more shares and then spend a few days meeting with prospective investors to drum up interest, often putting pressure on existing shares as they do so.

Health-insurer Bright Health Group Inc. raised \$175 million in a similarly structured deal in October.

Private companies, many growing
Please turn to page B6

Apple's New Plan To Move Beyond China

Burned by Covid lockdowns and worker unrest, the iPhone maker is looking to diversify the supply chain that has powered its growth

By **YANG JIE** AND **AARON TILLEY**

In recent weeks, Apple Inc. has accelerated plans to shift some of its production outside China, long the dominant country in the supply chain that built the world's most valuable company, say people involved in the discussions. It is telling suppliers to plan more actively for assembling Apple products elsewhere in Asia, particularly India and Vietnam, they say, and looking to reduce dependence on Taiwanese assemblers led by Foxconn Technology Group.

Turmoil at a place called iPhone City helped propel Apple's shift. At the giant city-within-a-city in Zhengzhou, China, as many as 300,000 workers work at a factory run by Foxconn to make iPhones and other Apple products. At one point, it alone made about 85% of the Pro lineup of iPhones, according to market-research firm Counterpoint Research.

The Zhengzhou factory was convulsed in late November by violent protests. In videos posted online, workers upset about wages and Covid-19 restrictions could be seen throwing items and shouting "Stand up for your rights!" Riot police were present, the videos show. The location of

one of the videos was verified by the news agency and video-verification service Storyful. The Wall Street Journal corroborated events shown in the videos with workers at the site.

Coming after a year of events that weakened China's status as a stable manufacturing center, the upheaval means Apple no longer feels comfortable having so much of its business tied up in one place, according to analysts and people in the Apple supply chain. "In the past, people didn't pay attention to concentration risks," said Alan Yeung, a former U.S. executive for Foxconn. "Free trade was the norm and things were very predictable. Now we've entered a new world."

One response, say the people involved in Apple's supply chain, is to draw from a bigger pool of assemblers—even if those companies are themselves based in China. Two Chinese companies that are in line to get more Apple business, they say, are Luxshare Precision Industry Co. and Wingtech Technology Co.

On calls with investors earlier this year, Luxshare executives said some consumer-electronics clients, which they didn't name, were worried about Chinese sup-
Please turn to page B6



A worker disinfects a factory of Apple supplier Foxconn in Zhengzhou, above. An almost empty road in Zhengzhou on Nov. 26, the second day of a five-day lockdown due to Covid-19 policy.



U.S. Stocks Pare Losses After Data

U.S. stocks wobbled around the flatline Friday, retracing early losses after a stronger-than-expected jobs report

By **Jack Pitcher**,
Anna Hirtenstein
And **Akane Otani**

port cast doubt on how quickly the Federal Reserve will be able to slow down its pace of interest-rate increases.

Stocks dropped and Treasury yields jumped early Friday on what seemed like a surprisingly strong jobs report. But investors picked up on some mixed signals in the report as they digested it, such as a decline in the average workweek for private-sector employees. The 10-year yield ended the day down.

By Friday afternoon, the S&P 500 fell 4.87 points, or 0.1%, to 4071.70, after dropping more than 1% earlier in the day. The Dow Jones Industrial Average rose 34.87 points, or 0.1%, to 34429.88 and the Nasdaq Composite fell 20.95 points, or 0.2%, to 11461.50.

Normally, strong economic data should be good news for investors.
Please turn to page B11

SCIENCE OF SUCCESS | BEN COHEN

Bob Iger Is Back to Fix His Big Failure at Disney

After his handpicked successor flopped, the veteran CEO has two years to help make it right



The most recent Emmy winners for best drama were TV shows about the same irresistible premise: Succession is what binds "Game of Thrones," "The Crown" and, of course, "Succession." It's now the subject of another Hollywood saga, and this one stars neither the royals nor the Roys.

The latest epic tale began when Disney made the surprising move on Nov. 20 to lure Robert Iger out of retirement as chief executive and give Mr. Iger two years to help find the next Mr. Iger.

But succession was the failure of

Mr. Iger's first reign. He famously delayed his retirement four times while driving around town with a license-plate frame asking if there was life after Disney. Then he anointed Bob Chapek and watched him flop. Now he's back to clean up a mess of his own making.

Mr. Iger, who is 71 years old, has put himself in a peculiar situation where nearly everything he does can be viewed through the lens of who comes after him. Almost never has a CEO's success been so clearly tied to the fate of the CEO's successor.

There are many familiar questions about who that person might
Please turn to page B2



Bob Chapek, left, who was pushed out as CEO by Disney's board, on stage last year with his predecessor, and successor, Robert Iger. The board has given Mr. Iger a mandate to identify a new potential chief executive.

GERARDO MORAY/GETTY IMAGES

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

JPMORGAN CHASE & CO.

JPM
1.8%

American banking giants are working to pay back scammed Zelle customers. JPMorgan Chase, Wells Fargo & Co. and other owners of the payment network are devising a plan to compensate fraud victims, The Wall Street Journal reported Monday. Scammers often seek to trick users into sending them money under the guise of customer support, and the growing volume and sophistication of peer-to-peer scams spurred lawmakers to pressure banks to do more to help. The seven owner banks of Zelle operator Early Warning Services LLC are still ironing out the plan's details. JPMorgan shares **fell 1.8% Monday**.

AMC NETWORKS INC.

AMCX
5.3%

AMC is losing one of its leads. The entertainment company said Tuesday that Chief Executive Christina Spade had stepped down, leaving the role less than three months after taking the reins. AMC said its board was finishing work to name a successor. The firm also announced plans to lay off about 20% of its U.S. employees, a sign of further disruption. The change comes as AMC, known for its popular TV shows including "Mad Men" and "Breaking Bad," struggles to generate enough money from streaming to make up for the continued decline of cable television. AMC shares **declined 5.3% Tuesday**.

PERFORMANCE OF RAIL STOCKS THIS WEEK

Source: FactSet



CSX CORP.

CSX
1.9%

Lawmakers voted to prevent a nationwide strike by railroad workers. The U.S. Senate agreed to force unions to adopt an earlier labor agreement mediated by the administration and rejected a proposal to give workers expanded paid sick leave. The measure now goes to the White House and is expected to end the standoff between CSX, Union Pacific Corp. and other freight railroads and more than 115,000 workers. CSX **lost 1.9% Friday**.

DOORDASH INC.

DASH
9.2%

DoorDash is reversing course. The food-delivery platform on Wednesday said it was laying off around 1,250 people, or 6% of its employees. Chief Executive Tony Xu said in a memo to staff that the company is working to rein in costs after a pandemic-fueled growth spurt. DoorDash joins a wave of tech companies cutting staff amid rising interest rates and economic uncertainty, and like other tech CEOs recently, Mr. Xu apologized for growing head count so quickly. Earlier in November, DoorDash posted a wider-than-expected loss for the third quarter as costs soared. DoorDash shares **surged 9.2% Wednesday**.

TYSON FOODS INC.

TSN
1.2%

Tyson's finance chief faces criminal charges after being found asleep in the wrong house. Chief Financial Officer John R. Tyson, great-grandson of the meat giant's founder, pleaded not guilty Thursday to charges of criminal trespass and public intoxication. Mr. Tyson will have a trial on the charges Feb. 15, according to Fayetteville District Court. Last month Mr. Tyson was arrested by local police in a Fayetteville, Ark., house, and he has twice apologized for the incident. The company has said its board is reviewing the incident. Tyson shares **ended 1.2% lower Thursday**.

AIRBNB INC.

ABNB
7.1%

Airbnb is branching out into subtlets. The home-sharing company will offer a new listing service for rental apartments with some of the biggest U.S. landlords and property managers, but it will only include units where short-term subtlets are allowed. The service will feature more than 175 buildings managed by Equity Residential, Greystar Real Estate Partners LLC and 10 other companies. Tenants who sign a lease can sublease their units for a fixed number of days a year. Airbnb aims to attract big landlords with a cut of its rental sales—20% in most cases. Airbnb shares **gained 7.1% Wednesday**.

SALESFORCE INC.

CRM
8.3%

Salesforce sees clouds on the horizon. The cloud-software maker on Wednesday gave a lower-than-expected outlook for fourth-quarter revenue and announced the departure of co-chief executive Bret Taylor. Mr. Taylor will step away from the position a year after he was elevated to run the company alongside Chairman Marc Benioff, who will become the sole chief executive again and will continue to serve as chairman. The news comes amid growing challenges for the tech industry in areas that thrived earlier in the pandemic. Salesforce shares **declined 8.3% Thursday**.
—Francesca Fontana

Iger Will Again Pick A Successor

Continued from page B1

be. Are internal candidates ready, or will it have to be an external hire? Is it better to have CEO experience or Disney experience? How much say will Mr. Iger really get this time, and does he already have the heir apparent in mind?

But the bigger question about Mr. Iger's role at Disney is how much involvement any CEO should have in this process.

Success and succession are fundamentally different objectives for CEOs. Someone in Mr. Iger's seat has too many competing interests and conflicting incentives to handle both, said Charles Elson, the founding director of the University of Delaware's Weinberg Center for Corporate Governance. He believes that boards alone should be responsible for hiring decisions.

The problem is that boards consist of humans, and humans are subject to all sorts of biases that impair our judgment and make us behave irrationally, as Disney's proved when it renewed Mr. Chapek's contract four months before ousting him. In practice, independent directors can also behave differentially toward CEOs. The market was thrilled when Disney brought Mr. Iger back, but others were stunned that he received a mandate "to work closely with the board in developing a successor," despite bungling the process before.

"The guy who gets you lost in the woods isn't the right guy to find your way out," Mr. Elson said.

A Disney spokesman declined to comment.

But even boards struggle with hiring because they don't get much practice, said David Larcker, the director of Stanford University's Corporate Governance Research Initiative. If their primary duties are CEO compensation and vetting, they do one every year and they might never do the other. When I called him, Mr. Larcker happened to be watching football, a useful reminder that hiring a CEO is like drafting a quarterback: It's the most valuable position and the most difficult to predict.

CEOs seem like they should be more qualified to select CEOs. They're not. Mr. Larcker's study of the largest companies run by hand-picked successors found that most underperformed the S&P 500 between 2000 and 2011, including General Electric after Jeff Immelt took Jack Welch's place and Microsoft after Steve Ballmer followed Bill Gates. The emergency succession that elevated Tim Cook at Apple in the final weeks of Steve Jobs's life made the world's most valuable company a notable exception.

It's a paradox of succession planning that the better the CEO, the harder it is to imagine anyone else in the job. But visionaries only seem irreplaceable until they're replaced. Mr. Jobs passed the iPhone to Mr. Cook. Jeff Bezos delivered the Amazon.com job to Andy Jassy. Warren Buffett won't be in charge of Berkshire Hathaway forever, Mark Zuckerberg will find a retirement home in his metaverse and Elon Musk



These aren't the CEOs you're looking for: A Storm Trooper figurine with Robert Iger's face.

said under oath that he expects someone else to run Twitter eventually. Not even Chief Twit is a permanent appointment.

But few corporations can match the history of succession mishegas at Disney. Mr. Iger is risking his legacy at a company that has always had a hard time getting to happily ever after.

His own coronation was the result of a vicious battle that de-

throned Michael Eisner. The climactic moment of that brawl was the board resignation of Roy E. Disney, Walt's nephew, whose list of Mr. Eisner's faults culminated with one that resonates today: the "consistent refusal to establish a clear succession plan."

Mr. Iger had such an extraordinary run atop Disney that the fight to get him there faded into little more than a career footnote. He

turned into the model CEO, a weatherman who became maybe the greatest business leader of his generation, and his string of deals over 15 years for Pixar, Marvel, Lucasfilm and 21st Century Fox solidified Disney as "the most successful entertainment company in modern history," as The Wall Street Journal put it.

But he also fostered palace intrigue by holding the keys of the magic kingdom longer than anyone expected, delaying retirement from 2015 to 2016—and then again to 2018, 2019 and 2021—while generally treating the reality that he wouldn't run the company forever more like a suggestion.

"Succession," Mr. Iger said five years ago, "is a complicated thing." It was so complicated that he mangled succession even after it happened. When he abruptly stepped down in February 2020, Mr. Iger didn't exactly disappear. As executive chairman until last December, he was still a presence at Disney, as if a former president of the United States moved out of the Oval Office, but not the White House.

Mr. Iger and Disney's board had perfectly good reasons for postponing his retirement, as the company's market capitalization grew by more

than \$180 billion under his management. By sidelining some potential successors, he made himself indispensable, as if he were the only person who could run Disney. The dithering meant there were few suitable candidates for Mr. Iger's job when he left and none when he came back.

It's the reason he once again finds himself in this position. Mr. Chapek was his choice for CEO, but the two Bobs clashed almost immediately, as his successor couldn't escape Mr. Iger's shadow.

An executive who specialized in theme parks may never have been the right person to steer Disney through a pandemic and the entertainment disruptions of the past three years. It didn't help that Mr. Chapek's stumbles in a political crisis provided a natural contrast to Mr. Iger's savvy—or that the company's stock price during his tenure was down as much as the broader market was up. In recent months, as Mr. Iger privately complained about Mr. Chapek, he publicly dismissed a possible return. Then came the brutal earnings call when Mr. Chapek reported that Disney's streaming business last quarter lost another \$1.47 billion, which is roughly the

'The guy who gets you lost in the woods isn't the right guy to find your way out.'

price of a week at Disney World these days.

Mr. Iger soon did what he insisted he never would. It was a fitting twist for someone who stayed at Disney almost every time he claimed to be serious about leaving.

In the days since Mr. Iger's boomerang, as Disney fans and Wall Street cheered his comeback, I decided to open a copy of his 2019 memoir "The Ride of a Lifetime."

One part that already reads differently is the story of his first big deal. The task of mending Disney's frayed relationships was such a priority for him that Mr. Jobs, the CEO of both Apple and Pixar, was the first person that Mr. Iger called after his family and mentors when he got the job. It paid off. Months later, when Mr. Iger pitched the crazy idea of buying Pixar, Mr. Jobs told him it wasn't so crazy, and they negotiated the massive deal that revitalized Disney's animation business.

But as Mr. Iger was campaigning for the board's approval of the Pixar acquisition, he learned that Mr. Eisner was lobbying against it. He'd only recently left the company, and he later admitted that he was wrong about Pixar, Mr. Iger wrote. But that was almost beside the point. It was the interference that he found inappropriate.

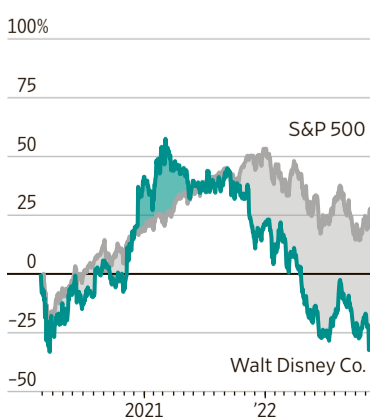
"I was offended by his meddling," Mr. Iger wrote. "It was something he would never have tolerated when he was CEO."

Those words now look rich after Mr. Iger's whispers about Mr. Chapek became so loud around Hollywood that he might as well have bought a billboard on Sunset Boulevard.

But as Disney once again plots life after Mr. Iger, there is one more line from his book that's newly relevant. It's whether he believes there is life after Disney.

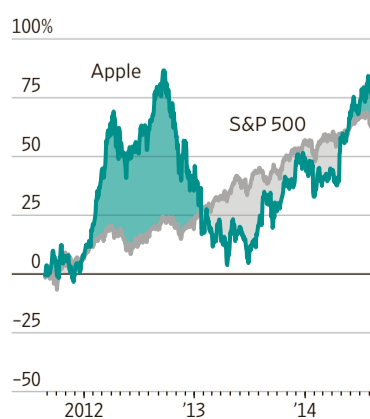
"The answer is yes," he wrote. "Of course."

Share-price performance during Bob Chapek's tenure as Disney CEO



Source: FactSet

Share-price performance during the first three years of Tim Cook's tenure as Apple CEO



Source: FactSet

BUSINESS NEWS

Balenciaga Implements Changes After Ad Furor

By NICK KOSTOV
AND STACY MEICHTY

PARIS—Balenciaga rocketed to the heights of the fashion world with risqué designs and runway stunts, but now that edgy approach has backfired on the brand amid a public furor over the portrayal of children in its ads.

For almost two weeks the brand has been scrambling to address criticism over two ad campaigns that have angered its customers and tested the loyalty of reality TV star Kim Kardashian, its biggest ambassador. One ad campaign released in mid-November showed children holding bags in the shape of teddy bears clad in what some people said looked like bondage gear. Another, released a few days later, featured a document related to a Supreme Court ruling against child pornography.

A wave of online posts conflated the two separate campaigns, with critics accusing the brand of promoting child pornography. Balenciaga, a brand that has excelled at promoting itself on social media, suddenly found itself on the defensive.

Balenciaga has repeatedly apologized for the ads and pulled them from circulation, saying it never intended to promote child abuse.

The fashion house has blamed external agencies for the appearance of the Supreme Court document in its advertisement. It blamed itself for the inclusion of children in the teddy-bear-themed campaign, saying the move should never have happened.

On Friday, Balenciaga Chief Executive Cédric Charbit said the brand's process for checking content had failed. Mr. Charbit said the label had named a new internal board to evaluate its content throughout the production process. Balenciaga was also tapping an external agency to assess its work, Mr. Charbit said, adding that it was setting aside funds to donate to

groups involved in child protection.

Demna, the brand's Georgian-born designer who goes only by his first name, issued an apology on Friday, saying: "As much as I would sometimes like to provoke a thought through my work, I would NEVER have an intention to do that with such an awful subject as child abuse that I condemn. Period."

Before the outrage erupted Balenciaga cultivated a reputation for pushing the envelope. Demna sent models down the runway earlier this year carrying sacks resembling garbage bags as part of a show that he said was inspired by refugees of the Ukraine war and other conflicts. Another show featured models wearing fetish-style latex body suits under baggy clothes on the floor of

Balenciaga's CEO said the brand's process for checking content had failed.

the New York Stock Exchange. He once dressed Ms. Kardashian for a red-carpet event in a skintight ensemble that entirely covered her face.

The moments went viral on social media. They also helped make Balenciaga, owned by French luxury giant Kering SA, one of the fashion industry's most lucrative and closely scrutinized brands, analysts say.

"This privileged position clearly also comes with responsibilities," said Mario Ortelli of the luxury mergers-and-acquisitions advisory firm Ortelli & Co.

The recent social-media firestorm, said Bernstein analyst Luca Solca, shows "how potentially dangerous this new era of frequent and two-way communication has become for fashion and luxury-goods brands."

Balenciaga says it is investigating how the ads came together, and it has vowed to overhaul its creative process, introducing more oversight to prevent similar incidents from happening again.

Ms. Kardashian, who has taken her 9-year-old daughter to a Balenciaga show, has said her future with the brand depends on "their willingness to accept accountability for something that should have never happened to begin with."

The missteps began in July. Balenciaga arranged a photo shoot that included an ad featuring a close-up of a \$3,000 leather bag in the shape of an hourglass, lying on top of a stack of papers. One document was upturned and visible with its text adjacent to the handbag. It was a page from a 2008 Supreme Court decision that upheld a ban on the promotion and distribution of child pornography.

In October, Balenciaga shot the campaign featuring young children and the teddy-bear shaped bags. A month later Balenciaga released the image along with others like it as part of a campaign to promote its holiday gift collection. Criticism began to gradually trickle out over social media.

Days later, on Nov. 21, the Balenciaga ad featuring the Supreme Court ruling appeared for the first time online, and the outrage swelled.

Many users also tried to connect the ads to a false conspiracy theory from QAnon—a far-right-wing, loosely organized network and community of believers—that centers on the idea that a cabal of Satan-worshipping elitist pedophiles have long controlled much of the so-called deep state government.

The criticism spread to Ms. Kardashian, who had recently strutted on Balenciaga's catwalk, with social-media users demanding she denounce the label. The reality TV star said last Sunday that she was examining her ties to the brand.



Before the outrage erupted Balenciaga cultivated a reputation for pushing the envelope.

Bacteria Prompts The Laundress To Recall Eight Million Products

By JOSEPH DE AVILA
AND ALYSSA LUKPAT

The Laundress is voluntarily recalling about eight million laundry and cleaning products that may contain bacteria that can cause respiratory infections among immunocompromised people.

The company said it was issuing the recall after first warning customers on Nov. 17 to stop using its products. The Laundress said last month it had identified "the potential presence of elevated levels of bacteria" in some of its products and was working with the U.S. Consumer Product Safety Commission.

Testing has identified bacteria in products produced between January 2021 and September 2022. The products were sold on the company's website and on Amazon.com, as well as at big box stores such as Target and large department stores including Bloomingdale's, Saks Fifth Avenue and Nordstrom. Consumers can check the complete list of recalled products and request a refund at www.TheLaundressRecall.com.

The Laundress markets its

detergents as high-end products, with a 33.3-ounce bottle of its classic signature detergent listed for \$24 on its website.

Nearly all the detergent, cleaning and fabric care products available for purchase on the Laundress's website were out of stock Friday. The company said it hopes to have products available soon.

Those with affected products should throw them out, closing the bottle tightly before putting it in the trash.

People with weakened immune systems, external medical devices and underlying lung conditions who are exposed to the bacteria face a risk of serious infection that may require medical treatment, the company said in its recall notice Thursday. The bacteria can enter the body if inhaled, or through the eyes or a break in the skin, the notice said.

Burkholderia cepacia, also called B. cepacia, is one of the types of bacteria that may be in the recalled products. The bacteria can be found in soil and water, according to the Centers for Disease Control and Prevention. B. cepacia bacteria are often resistant to common

antibiotics, the CDC said.

B. cepacia can cause serious respiratory infections, especially in patients with cystic fibrosis, according to the CDC. People with healthy immune systems are usually not affected by the bacteria, the agency said.

Pseudomonas, another type of bacteria commonly found in soil and water, may also be present in the recalled products. It can cause infections in people with weakened immune systems and is particularly dangerous for people with chronic lung disease, the CDC said.

The company said it is aware of 11 people who have reported Pseudomonas infections. It is investigating the reports to see if there is any connection to the recalled products.

Unilever PLC acquired the Laundress brand in 2019. The consumer-goods giant in October voluntarily recalled several dry-shampoo aerosol products because of potentially elevated levels of benzene, a chemical that can cause cancer. The company sold the products under the brands of Dove, Nexxus, Suave, Rockaholic, Bed Head and TRESemmé.

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EXCHANGE

KEYWORDS | CHRISTOPHER MIMS

The 'Holy Grail' of Robotics at Amazon

Retailer races to automate some warehouse tasks



For decades, one of the hardest problems for robot developers to crack has been something seemingly mundane: how to replicate the human hand's ability to pick up stuff.

Amazon.com has just come a lot closer to achieving this elusive goal, with a leap in its automation prowess that promises far-reaching effects for its huge workforce and its future growth ambitions.

The tech giant last month unveiled a collection of new robots, one of which is suited to replacing humans in the most common job at Amazon—picking up items and placing them elsewhere. The linchpin of this new kind of automation is a robot arm—appropriately named Sparrow after the tenacious, pervasive bird—that combines advanced artificial intelligence, a variety of grippers, and the speed and precision that is now standard in off-the-shelf industrial robotic arms.

The announcement was easy to miss, coming as it did amid a run of news that, in part, illustrated some of the challenges Amazon is trying to tackle with its automation effort. The company began layoffs of corporate employees in mid-November, part of a sweeping cost-cutting effort to deal with the aftereffects of its rapid expansion during the pandemic.

The company's workforce more than doubled during that period, to exceed 1.6 million as of early this year. The vast majority of those employees were added in Amazon's sprawling logistics operation, which delivers packages to e-commerce customers. Amazon has been struggling to manage the size and morale of that group of employees, some of whom have grown restless over the demands of their highly repetitive jobs. The company in October beat back an attempt to unionize a facility in New York state by a nascent labor group that vowed to continue its campaign.

One of Amazon's long-term solutions to these issues is robots that could make the roles that many of

these workers now occupy obsolete, although that's not the way the company talks about its automation efforts. Instead, Amazon couches its automation in terms of benefits to its workers.

Amazon's recently unveiled robots could help the company lower both injury rates and turnover in its warehouses, says Tye Brady, chief technologist at Amazon Global Robotics. "Robots are good at repetitive tasks and heavy lifting—I want to automate out mundane and repetitive tasks," he says.

The Sparrow is singular in its capabilities, and the scale of Ama-



An Amazon robot, above, picks up items, a crucial warehouse task. Employees build robots, left, at an Amazon innovation hub.

zon's ambitions for it. On its face, the robot has the potential to someday save Amazon billions of dollars in wages and benefits. Or, as leaders at Amazon like to put it, it will allow the company to continue to grow, despite its recent labor challenges. "Our goal is to augment our people with the tools they need to do their jobs more efficiently and safely," says Mr. Brady. "It's my belief that collaborative robotics is really an unlock to more productivity, and it can also better the employee experience," he adds.

Amazon, along with a collection of other robotics companies, are chasing what experts in the field call the "holy grail" of robotics—machines as dexterous, quick and adaptable as a human arm and

hand.

Such a robot could someday be capable of handling any of the thousands—or in Amazon's case, millions—of different goods carried in a typical e-commerce fulfillment warehouse.

Sparrow's first task will be as part of an experimental, automated goods-handling system that the company unveiled in June. Typically in an Amazon warehouse, robotic "drive units" ferry tall, soft-sided shelves to humans, who pick items from those shelves and drop them in bins. Those bins then ride on conveyors to elsewhere in the warehouse, for packaging and delivery.

In Amazon's new system, instead of being stored in shelves, items are stored in plastic bins

that ride atop drive units. These bins can then be automatically placed in front of humans, at an ergonomic height, making picking items from them less taxing, says a company spokesman.

Sparrow is an attempt to someday replace human pickers in this stage of the operation.

Currently, Sparrow can handle only about 65% of the items that are in a typical Amazon warehouse. Those items range from hardback books to bottles full of liquids to T-shirts in plastic bags. Eventually, once Sparrow is good enough, replacing humans as pickers is the goal, says Mr. Brady.

Other companies have developed similar robots, although they're intended to handle a narrower range of products. They include Ambi Robotics, which provides parcel-handling robots to the U.S. Postal Service, and RightHand Robotics. That company's robotic arm can grab thousands of different items out of bins, and is being used in warehouses by Paltac, one of Japan's largest wholesalers of consumer packaged goods.

Helping the adoption of robot picking systems: The technologies to automatically store bins full of goods, and deliver the right one to a robot, have been falling in cost quickly, says Yaro Tenzer, chief executive of RightHand Robotics.

That said, Amazon hopes to operate on a much larger scale and with a much greater degree of

complexity.

New kinds of automation can serve business goals other than reducing head count at a company.

In the future, as workers are shifted out of roles like picking, they will be moved into other roles where they help the company better serve the customer, says Mr. Brady. He doesn't know precisely what those roles will be, he adds.

It is possible that in the near term, Amazon's claims that automation will simply help it do more

The goal is to make machines as dexterous, quick and adaptable as a human arm and hand.

with its existing workforce—like achieving even faster delivery—will prove true. Further into the future, it's not at all clear that even Amazon's most ambitious goals will require all the humans the company employs today. Indeed, given the dozens of companies offering robots like those Amazon is building, and the efficiencies those robots will allow Amazon's competitors to achieve, if Amazon's automation doesn't allow it to reduce its reliance on humans, it could represent a threat to the long-term viability of the company's retail operations.

SCOTT EISEN/ASSOCIATED PRESS; JOSEPH PREZIOSO/AGENCE FRANCE PRESSE/GETTY IMAGES



If you've been thinking that this year's miserable returns on stocks and bonds have put a safe retirement out of reach, think again.

Thanks to the recent rout in bond prices, Treasury inflation-protected securities, or TIPS, have turned into a cheap form of insurance for the first time in more than a decade. Buying and holding them in your retirement portfolio can help assure you of a lifelong stream of income that won't be devoured by the rising cost of living.

TIPS are U.S. government securities whose principal value ratchets up (or down) to keep pace with inflation, as measured by the Consumer Price Index.

They also pay a fixed rate of interest. As with nearly all bonds, when market prices for TIPS are high, the yield—annual interest divided by latest price—will be low. When prices fall, the yield rises.

Unlike I bonds, or inflation-protected savings bonds, TIPS are tradable, available in large amounts, and offered by banks and brokerage firms. They also come bundled into mutual funds and exchange-traded funds. Those qualities make TIPS more flexible, especially for wealthier investors.

That flexibility isn't always a blessing. TIPS gained about 6% last year, rising in price so much that the income they pay investors

THE INTELLIGENT INVESTOR | JASON ZWEIG

A New Way to Fight Inflation

After the market rout, inflation-protected Treasuries are a good idea again

above inflation, nicknamed "real yield," stayed deeply negative.

That meant future returns would likely be, too. Even so, investors poured \$75.5 billion into TIPS mutual funds and exchange-traded funds in 2021, according to Morningstar.

TIPS aren't risk-free. They protect against inflation—but get pummeled just about as badly as regular bonds when interest rates rise.

That's partly because TIPS pay lower interest coupons, partly because they have longer maturities on average than conventional bonds.

Through Nov. 30 this year, according to Pimco, TIPS gained 7.3% from the inflation adjustment to principal—but their market price fell nearly 18%, significantly worse than the 14% price drop in conventional Treasuries.

All told, the total return on TIPS was minus 10.9%, not much better than Treasuries without inflation protection. That puts them on track for the worst year ever in their more than 25-year history.



If you hold to maturity—when you'll get your initial investment back, plus inflation adjustments along the way—none of that should matter.

But many of the same people who piled in when inflation protection was overpriced have fled now that it's gotten so much cheaper. Investors have pulled \$16.1 billion out of TIPS funds through Oct. 31, estimates Morningstar.

However, now that TIPS have toppled, you could lock in a yield of almost 1.6% above inflation this past week, according to Pimco. A year ago, that real yield was negative 1.7%.

If your eyes are on the retirement road in front of you, rather than on the rearview mirror, you should be buying TIPS, not selling.

At recent prices, investors in TIPS can lock in the ability to withdraw about 4% of their capital annually for 30 years without running out of money after inflation, says

Allan Roth, a financial planner at Wealth Logic in Colorado Springs, Colo.

"The higher the real yield has gone, the greater the safe spending rate you've been able to develop," says Mr. Roth, who recently bought a slug of TIPS himself and is recommending them for clients in or near retirement.

This year's miserable market for TIPS has a "silver lining," says Nathan Zahm, head of goals-based investing research at Vanguard Group. "It's caused losses, but it's also increased future expected returns. A higher real yield means a much more promising outlook for retirees."

You probably shouldn't put your entire nest egg into TIPS. It's a defensive strategy to ensure you won't run out of money, after inflation, if you hold until maturity. But that's all—and that might not be enough. Some of your money should play offense, too, in hopes

of earning a higher return in the long run.

But inflation-protected Treasuries are a great addition to a portfolio of stocks and other assets.

"TIPS tend to offer unique diversification to just about any other investment that retirement savers are considering, because of the contractual linkage that they have to inflation," says Bransby Whitton, an executive vice president at Pimco who specializes in retirement strategies.

TIPS can cause a tax headache. Besides their regular interest payments, they also generate those inflation adjustments to principal. That rising principal value creates so-called phantom income that is federally taxable even though you don't receive it until the TIPS mature or you sell them. That's why many people hold TIPS in a tax-deferred retirement account.

They're free of state and local income tax, however. So, if you live in a high-tax state like California or New York, says Mr. Roth, consider holding your TIPS in a taxable account.

Jeffrey Rapp, 63 years old, is a physician in the Los Angeles area who retired in 2021. A few years ago, he built a "ladder," a portfolio of TIPS maturing in almost each year from the time he will turn 65 to when he will be 85.

That will provide him with a stream of income, consisting of a mix of interest payments and maturing principal, that will keep pace with inflation.

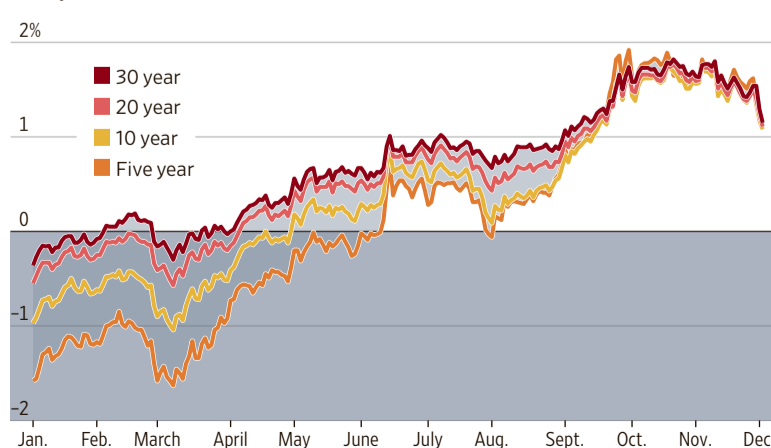
"It's allowed me to not care about the volatility associated with equity investing," he says. "I had zero anxiety this year over what happened to my equities. Having that TIPS ladder really took the edge off."

Another Wall Street Journal reader, a 72-year-old retiree in the Chicago area, has about 10% of her retirement assets in TIPS after making a sizable investment in October.

"You can't guarantee that stocks will do well in every 20-year period," she says. "So something that gives you real yield with inflation protection is kind of the perfect retirement asset."

JARRED BRIGGS

Real yields on TIPS



Source: U.S. Treasury Department

EXCHANGE

Kids Don't Want Money Anymore

Virtual currencies like Robux have become many families' preferred way to pay allowance; a virtual Gucci jacket

BY SARAH E. NEEDLEMAN
AND SARAH DONALDSON

Like many parents, Greg and Selena Robleto offered to pay their kids for doing household chores. The couple quickly learned their money was no good.

The girls wanted to be paid in Robux—the online currency in videogames from Roblox Corp.—and turned up their noses at the crinkled, paper dollars the couple was offering.

"They were handing it right back to me and saying, 'Can you convert this to Robux?'" said Mr. Robleto, a 46-year-old web designer in Rockville, Md. "I don't even need to have cash in the house. I can just go online and put \$5 into their accounts."

Kaylee Robleto, 12, recently bought a virtual Louis Vuitton handbag, while her 10-year-old sister, Ginelle, got a virtual Gucci jacket. Each item cost less than the equivalent of \$5 in Robux.

"If I were to spend money in real life, I'd have to ask my parents to take me to stores," Kaylee said. "I have control over what I buy on Roblox."

The Robleto girls are part of a massive cohort of tech-savvy youngsters who are learning to flex their financial independence through Roblox, one of the most popular kids' online hangouts and a place where brands are increasingly setting up shop to reach them. About half of Roblox's 60 million daily users are under the age of 13.

Roblox and other virtual economies are changing families' conversations about money, and helping solve the perennial parenting problem of controlling how kids spend online. Most virtual items cost less than the equivalent of \$10. Parental controls implemented in recent years mean out-of-control spending by children is less of a concern than it once was. By topping up virtual wallets with a little cash, parents save money and time compared with a trip to Target and don't have to take out their wallets for every little purchase.

"Developers quickly realized that to monetize a young audience base, they first had to cater to the needs of parents," said Joost van Dreunen, who teaches the business of videogames at New York University's Stern School of Business.

This is why many games including Roblox also sell virtual currency as monthly subscriptions, similar to an allowance, he said.

Children are spending more time and money in Roblox's free-to-play, 3-D online world, a so-called metaverse where people create and engage in all sorts of virtual activities via avatars. Roblox revenues grew sixfold over the past three years to \$1.9 billion last year—almost all of it from sales of Robux.

As adults struggle to find uses for the metaverse, kids are already immersed in the technology, as they earn and spend virtual currency while playing games and socializing on Roblox.

In April, Chipotle Mexican Grill Inc. launched "Chipotle Burrito Builder," a game on Roblox that invites players to simulate making entrees in a virtual store in exchange for the restaurant chain's own virtual currency called Burrito Bucks. Some players can then cash in the currency for an offline entree at a real Chipotle location. The company repeated the promotion in September but tasked players with grilling virtual steaks to highlight its new beef filling.

The strategy behind the game was to create a fun, interactive experience, "rather than plastering advertising," said Chris Brandt, Chipotle's marketing chief.

Roblox isn't like most videogame companies. Rather than rely on Hollywood-like budgets and rock-star talent to produce blockbuster games, it outsources development to anyone willing to put in the effort, including hobbyists, professional developers and a fast-growing number of advertisers.

Though the cost of making a game on Roblox can run into the hundreds of thousands of dollars, an increasing number of companies



Ginelle, Kaylee, Selena and Greg Robleto, above. The parents have sought to offer their daughters lessons about real money by way of virtual currency. Kaylee, left, and Ginelle, below, look at virtual goods purchased using their Robux allowances.



are doing so because it's essentially marketing disguised as entertainment, said Emma Hazan, chief executive and founder of Sidekick Comms Ltd., a communications and brand consulting company.

"Traditionally the way to reach kids was an advert," she said. "Now brands are embracing online gaming platforms like Roblox."

The main difference between the old and the new, added Ms. Hazan, is that games that double as ads are interactive and designed to be fun. That's typically not the case with static online ads. With Roblox, she said, "brands themselves are getting in on the action."

In September, Walmart Inc. launched two games on Roblox, following in the footsteps of Kellogg Co., Chobani Inc. and others. New games from advertisers debut weekly.

In Walmart Land, kids can find and earn virtual coins for "verch"—as in virtual merchandise—such as headphones as well as clothes from Walmart's in-house brands for their avatars. William White, chief marketing officer at Walmart, appeared as a blocky "Robloxian" wearing a Walmart letterman jacket to promote the experience, saying it was "making the best of Walmart's aisles virtual."

Nike Inc.'s Nikeland—modeled on the shoe company's Beaverton, Ore., headquarters—was one of the first branded experiences on the platform. In it, users can earn coins by playing basketball and other games, which they can then

spend on virtual sneakers and other items.

"Nike is meeting young athletes, wherever they are," John J. Donahoe, chief executive officer of the sneaker company, said on an earnings call last year following the launch of Nikeland.

Soon advertisers will be able to do more. Starting next year, they'll gain the option to purchase "portals" in other creators' games that take users directly to theirs. They'll also be able to buy virtual billboards in games made by other creators. Developers will get a cut of revenue from both features.

"We have just scratched the surface of what it means to be a thriving

'If I were to spend money in real life, I'd have to ask my parents to take me to stores.'

ing and monetizing economy in these 3-D immersive experiences," Manuel Bronstein, Roblox's chief product officer, said at the company's investor day in September.

While Roblox is one of the biggest virtual worlds where kids are spending virtual money, it is not alone. Microsoft Corp.'s building game "Minecraft" has Minecoins, the multiplayer shooter game "Fortnite" from Epic Games Inc. has V-bucks and Niantic Inc.'s augmented-reality game "Pokémon

Go" has PokéCoins.

This year, Moonbug Entertainment Ltd. began selling kids' non-fungible tokens, or NFTs, of characters from its kids' shows "CoComelon" and "Blippi" on a new social-media platform for tots called Zigazoo. NFTs are digital certificates of ownership of virtual and real goods. These collectibles for kids are not expensive like the infamous Bored Ape Yacht Club collection, which sold for hundreds of thousands of dollars earlier this year. Packs of Zigazoo's NFTs sell for \$5.99 to \$49.99.

Last year kids ages 12 to 17 spent an average of \$92 a month online, more than double the average from two years earlier, estimates Forrester Research. Most of that was spent on videogames and virtual goods, followed by clothing and accessories, the market research firm said.

Spending virtual money is second nature for generations who've grown up with the internet, said Titania Jordan, chief parent officer at Bark Technologies Inc., a service for monitoring children's online activity that was founded in 2015. "The concept of a piggy bank or even cash is really archaic," she said.

For parents, though, it can be harder to grasp. It can take time to understand the value of virtual goods. Meanwhile, they worry their kids may be getting conned.

Jason Baffrey said he and his wife were initially opposed to letting their 12-year-old son, Jaxson Baffrey, buy virtual goods in video-

games. The notion of spending real money on something intangible was foreign to the couple. "We grew up in a generation where we didn't necessarily do that," he said.

But recently they wanted to reward Jaxson for good behavior and when they asked what kind of gift he'd like most, he requested a virtual outfit for his character in "Fortnite." After some thought, the couple changed their tune.

"What's the difference if it gives him the same pleasure, if you will, as a toy," said Mr. Baffrey, a 52-year-old public affairs director for the state of Oklahoma. "At least he can't break it."

Some children's advocacy groups, politicians and online-commerce researchers have raised concerns about games that sell virtual goods to adolescents, particularly when the goods are sold in blind packs like baseball cards. Many popular children's videogames, on Roblox and elsewhere, sell or reward players this way.

A newly released three-year study concluded that in-game sales of blind packs of virtual goods can cause "financial and emotional harm" to teenagers and children. The study, published by Newcastle and Loughborough Universities in the U.K., tracked the videogaming habits of 42 families with children between the age of 5 and 17. It also concluded that the design of in-game paid-reward systems borrows elements from regulated gambling to entice players to spend more time and money in games.

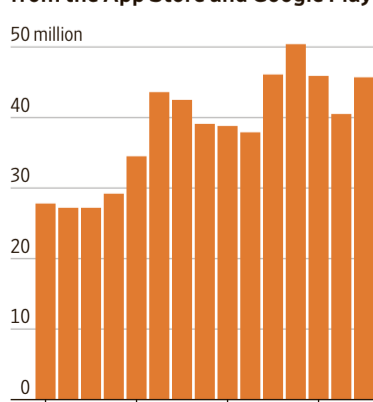
Advocacy groups recommend that parents talk to children about the potential for disappointment when buying blind packs, and the actual cost of any virtual item in terms of traditional currency.

Mr. Robleto, the father in Maryland, said his daughters initially got upset after their Robux allowances ran out before they could buy all the virtual goods they wanted. He then showed them how one of his daughters had paid the equivalent of \$9—almost double her weekly chore money—for a single pair of virtual boots on the platform.

"We did that as an exercise for them to understand how much money one digital item can cost," he said. "I think it helped them recognize the value of money."



Roblox worldwide quarterly installs from the App Store and Google Play



Source: Sensor Tower

EXCHANGE

Apple Looks Outside China

Continued from page B1
ply-chain snafus caused by Covid-prevention measures, power shortages and other issues. They said these clients wanted Luxshare to help them do more work outside China.

The executives referred to what is known as new product introduction, or NPI, when Apple assigns teams to work with contractors in translating its product blueprints and prototypes into a detailed manufacturing plan.

It is the guts of what it takes to actually build hundreds of millions of gadgets, and an area where China, with its concentration of production engineers and suppliers, has excelled.

Apple has told its manufacturing partners that it wants them to start trying to do more of this work outside China, according to people involved in the discussions. Unless places like India and Vietnam can do NPI too, they will remain stuck playing second fiddle, say supply-chain specialists. However, the slowing global economy and slowing hiring at Apple have made it hard for the tech giant to allocate personnel for NPI work with new suppliers and new countries, said some of the people in the discussions.

Apple and China have spent decades tying themselves together in a relationship that, until now, has mostly been mutually beneficial. Change won't come overnight. Apple still puts out new iPhone mod-

China's Covid policy 'has been an absolute gut punch to Apple's supply chain.'

els every year, alongside steady updates of its iPads, laptops and other products. It must keep flying the plane while replacing an engine.

"Finding all the pieces to build at the scale Apple needs is not easy," said Kate Whitehead, a former Apple operations manager who now owns her own supply-chain consulting firm.

Yet the transition is under way, driven by two causes that are feeding on each other to threaten China's historic economic strength. Some Chinese youth are no longer eager to work for modest wages assembling electronics for the affluent. They are seething in part because of Beijing's heavy-handed Covid-19 approach, itself a concern for Apple and many other Western companies. Three years after Covid-19 started circulating, China is still trying to crush outbreaks with measures like quarantines, as many other countries have returned



A protest against China's strict zero-Covid measures in Beijing last month.

to prepandemic norms.

Protests in Chinese cities over the past week, during which some demonstrators called for the ouster of President Xi Jinping, suggested criticism over Covid-19 restrictions could build into a larger movement against the government.

All this comes on top of more than five years of heightened U.S.-China military and economic tensions under the Trump and Biden administrations over China's rapidly expanding military footprint and U.S. tariffs on Chinese goods, among other disputes.

Apple's longer-term goal is to ship 40% to 45% of iPhones from India, compared with a single-digit percentage currently, according to Ming-chi Kuo, an analyst at TF International Securities who follows the supply chain. Suppliers say Vietnam is expected to shoulder more of the manufacturing for other Apple products such as AirPods, smartwatches and laptops.

For now, consumers doing Christmas shopping are stuck with some of the longest wait times for high-end iPhones in the product's 15-year history, stretching until after Christmas. Apple issued a rare mid-quarter warning in November that shipments of the Pro models would be hurt by Covid-19 restrictions at the Zhengzhou facility.

In November, as the worker protests in the facility grew, Apple issued a statement assuring it was on the ground looking to resolve the issue. "We are reviewing the situation and working closely with Foxconn to ensure their employees' concerns are addressed," a spokesman said at the time.

The risk of too much concentration in China has long been known to Apple executives, yet for years they did little to lessen it. China

supplied a literate and diligent workforce, political stability and a huge local market for Apple's products.

Taiwan-based Foxconn, under founder Terry Gou, became an essential link between Apple in California and the Chinese assembly plants where iPhones get put together. Foxconn managers share a language and cultural background with mainland workers.

Pegatron Corp., another Taiwan-based contractor, has played a smaller but similar role.

And both the government in Beijing and local governments in places such as Henan province, home to the Zhengzhou plant, have enthusiastically supported Apple's business, seeing it as an engine of jobs and growth.

Even now, when ever-harsher anti-American rhetoric flows each day from Beijing over issues such as Taiwan and human rights, that backing remains strong.

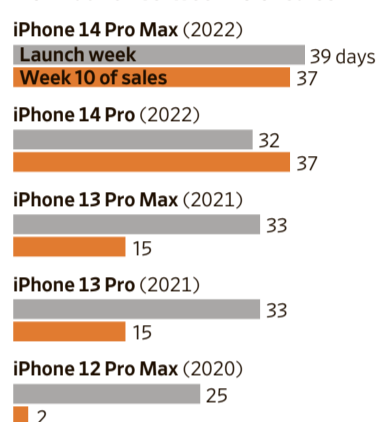
People's Daily, the mouthpiece of the Chinese Communist Party, hailed the Apple production site in a Nov. 20 video, saying it accounted directly or indirectly for more than a million local jobs. Foxconn shipped about \$32 billion in products overseas from Zhengzhou in 2019, according to a Chinese government-linked think tank. All told, the Foxconn group accounted for 3.9% of China's exports in 2021, according to the company.

"The government's timely assistance...continuously provides a sense of certainty for multinational companies like Apple, as well as for the world's supply chain," the People's Daily video said.

Yet such words ring hollow to many U.S. businesses in light of stringent anti-Covid measures by the government that have hampered production and roused worker unrest. A survey by the U.S.-China Business Council this year found American companies' confidence in China has fallen to a record low, with about a quarter of respondents saying they have at least temporarily moved parts of their supply chain out of China over the past year.

To keep operating during government Covid measures, the Zhengzhou factory is among those compelled to adopt a system in which workers stay on-site and contact with the outside world is limited to the bare minimum to keep the goods flowing. Foxconn has sealed smoking areas,

Wait times in the U.S. for iPhones from launch vs. week 10 of sales



Source: Counterpoint Research iPhone Wait Time Tracker

switched off vending machines and closed dining halls in favor of carry-out meals that workers bring back to their dormitories, often a half-hour walk away, workers said.

Many have escaped, jumping fences and walking along empty highways to get back to their hometowns. In November, the pandemic policies and pay disputes further fueled workers' grievances. Some clashed with police at the site and left smashed glass doors.

Many of those abandoning the factory were young people who said on social media that they decided wages equivalent to \$5 or less an hour weren't enough to compensate for tedious production work, exacerbated by Covid restrictions. "It's better for us to skate by at home than to be sucked dry by capitalists," one person who identified herself as a departed Foxconn worker posted on her social-media account after the protests.

Asked for comment, a Foxconn spokesman referred to earlier statements in which the company blamed a computer error for some of the pay issues raised by new hires. It said it guaranteed recruits would be paid what was promised in recruitment ads. The spokesman declined to comment further.

China's Covid policy "has been an absolute gut punch to Apple's supply chain," said Wedbush Securities analyst Daniel Ives. "This last month in China has been the straw that broke the camel's back for Apple in China."

Mr. Kuo, the supply-chain analyst, said iPhone shipments in the fourth quarter of this year were likely to reach around 70 million to 75 million units, which he said was around 10 million fewer than market projections before the Zhengzhou turmoil. The top-of-the-line iPhone 14 Pro and Pro Max models have been particularly hard-hit, he said.

Accounts vary about how many workers are missing from the Zhengzhou factory, with estimates ranging from the thousands to the

tens of thousands. Mr. Kuo said it was running at only about 20% capacity in November, a figure expected to improve to 30% to 40% in December. One positive sign came Wednesday, when the local government in Zhengzhou lifted lockdown restrictions.

One Foxconn manager said hundreds of workers were mobilized to move machinery and components by truck and plane nearly 1,000 miles from Zhengzhou in central China to Shenzhen in the south, where Foxconn has its other main factories in China. The Shenzhen factories have made up some, but not all, of the production gap.

Meanwhile, Foxconn is offering money to get workers to come back and stay for a while. One of its offers is a bonus of up to \$1,800 for January to full-time workers in Zhengzhou who joined at the start of November or earlier. Those who wanted to quit have gotten \$1,400.

India and Vietnam have their own challenges.

Dan Panzica, a former Foxconn executive who now advises companies on supply-chain issues, said Vietnam's manufacturing was growing quickly but was short of workers. The country has just under 100 million people, less than a 10th of

While problems have grown in China, India and Vietnam have their own challenges.

China's population. It can handle 60,000-person manufacturing sites but not places such as Zhengzhou that reach into the hundreds of thousands, he said.

"They're not doing high-end phones in India and Vietnam," said Mr. Panzica. "No other places can do them."

India has a population nearly the size of China's but not the same level of governmental coordination that can make it easy for companies such as Apple to operate. Apple has found it hard to navigate India because each state is run differently and regional governments saddle the company with obligations before letting it build products there.

"India is the Wild West in terms of consistent rules and getting stuff in and out," said Mr. Panzica.

The U.S. embassies of India and Vietnam didn't respond to requests for comment.

Nonetheless, "Apple is going to have to find multiple places to replace iPhone City," Mr. Panzica said. "They're going to have to spread it around and make more villages instead of big cities."

—Selina Cheng contributed to this article.



Apple is looking to manufacture more in Vietnam, where a facility of China-based Luxshare Precision Industry Co., an Apple supplier, is shown above.

Cash-Hungry Companies Get Creative

Continued from page B1
fast but with limited cash flow and their plans for initial public offerings on hold, are seeking funds that will help them reach profitability. And they are structuring the deals to avoid the dreaded "down round," or raising money at a lower valuation than before, including through the use of convertible bonds.

Creative deal-making among private companies has helped push U.S. venture-capital investment activity

to \$195 billion this year through Sept. 30, higher than all other prior full years except 2021, according to PitchBook Data Inc.

Some deals involving private companies aren't publicized and likely won't be revealed until they file regulatory paperwork to go public.

"The big misconception is that the private financing world is closed," said Keith Canton, head of private capital markets at JPMorgan Chase & Co.

Lordstown raised \$170 million, nearly half of its market capitalization, in a combination common-stock and private investment by Foxconn Technology Group, in November. Lordstown, whose shares have fallen more than 80% since they started trading in 2020, provided Foxconn with preferred shares that pay a div-

idend and can be converted into common stock once certain conditions are met.

Arctic Wolf Networks Inc. had planned to go public this year, but with the new-issue market shut, the cybersecurity company launched a \$401 million convertible-note offer-

Companies are willing to make these concessions to get the money they need.

ing instead.

The deal, announced in October, was led by private-credit powerhouse Blue Owl Capital Inc.

"Our backlog for these types of

deals has never been larger, at least in my history of being here," said Kurt Tenenbaum, a managing director at Blue Owl.

He added that he expects more later-stage companies that had anticipated going public to consider structured deals if it becomes more difficult to raise capital through traditional means.

The rethinking of how to raise money comes at a time when the U.S. IPO market is on track for its worst year in decades in money raised. Companies are unable to turn to buyout shops as they have in other slow IPO markets, as leveraged-debt financing also has dried up.

Private-equity and sovereign-wealth funds and large family offices, meanwhile, have piles of cash on hand, but they are wary of stock-

market volatility and want downside protection, investors, lawyers and bankers say.

That protection can be provided through sweeteners such as warrants and preferred shares, and so-called ratchets for private companies, which guarantee investors additional shares if they go public at a price below a certain level.

Companies are willing to make these concessions to get the money they need to keep their businesses running, in many cases until they can reach profitability.

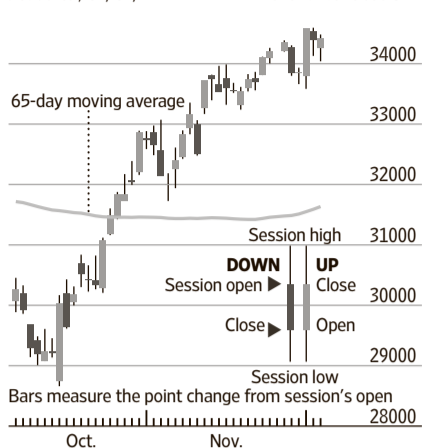
"In a period of public market volatility, many more companies are turning to bespoke, private and structured solutions to raise money with a high degree of certainty and efficiency," said Stephen Bloom, head of private capital markets Americas at Bank of America Corp.

KEVIN TRAVER/GETTY IMAGES; LINH PHAM/LOOMBERG NEWS

MARKETS DIGEST

Dow Jones Industrial Average

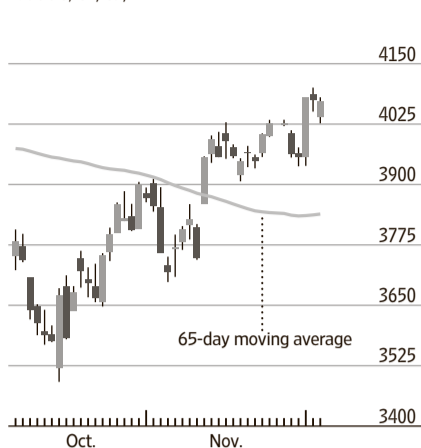
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P/E estimate * 18.83 17.74
Dividend yield 1.99 1.99
All-time high 36799.65, 01/04/22
Current divisor 0.15172752595384



Weekly P/E data based on as-reported earnings from Biriny Associates Inc. * Based on Nasdaq-100 Index

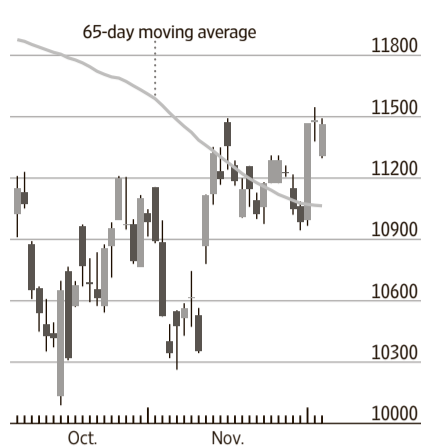
S&P 500 Index

4071.70 Last 19.65 Year ago 28.06
P/E estimate * 18.36 21.42
Dividend yield * 1.66 1.31
All-time high 4796.56, 01/03/22



Nasdaq Composite Index

11461.50 Last 24.98 Year ago 34.63
P/E estimate ** 23.15 29.75
Dividend yield ** 0.93 0.66
All-time high: 16057.44, 11/19/21



Track the Markets: Winners and Losers

A look at how selected global stock indexes, bond ETFs, currencies and commodities performed around the world for the week.

Table showing performance of various indices, currencies, commodities, and exchange-traded funds. Includes categories like Index, Currency vs. U.S. dollar, Commodity, and Exchange-traded fund.

Major U.S. Stock-Market Indexes

Table of Major U.S. Stock-Market Indexes including Dow Jones, Industrial Average, Transportation Avg, Utility Average, Total Stock Market, and Barron's 400.

Table of Nasdaq Stock Market indexes including Nasdaq Composite, Nasdaq-100, and S&P.

Table of Other Indexes including Russell 2000, NYSE Composite, Value Line, NYSE Arca Biotech, NYSE Arca Pharma, KBW Bank, PHLX Gold/Silver, PHLX Oil Service, PHLX Semiconductor, and Cboe Volatility.

Table of International Stock Indexes categorized by Region/Country, including World, Americas, EMEA, Asia-Pacific, and others.

Sources: FactSet; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

Table of Trading Diary statistics including Total volume, Adv. volume, Decl. volume, Issues traded, Advances, Declines, Unchanged, New highs, New lows, Closing Arms, and Block trades.

* Primary market NYSE, NYSE American, NYSE Arca only. (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand, above 1 indicates selling pressure.

Percentage Gainers...

Table of Percentage Gainers listing companies like Sunlands Technology ADR, Ra Medical Systems, Anavex Life Sciences, SatixFy Communications, Uxin ADR, Fanhua ADR, Spectrum Brands Holdings, Colpliant BioTech, Venus Acquisition, TOP Ships, Samsara, EHang Holdings ADR, Tuesday Morning, eHealth, OmniAb, Pacifico Acquisition, Vaxxinity, Kintara Therapeutics, Ensynce Biosciences, Cracker Barrel, Oncolytics Biotech, Modiv CI C, InterPrivate II Acqn A, Conformis, Zscaler, and others.

Percentage Losers

Table of Percentage Losers listing companies like Credit Suisse S&P MLP Idx, Theratechnologies, BioVie, ProSh Ult Bbg Nat Gas, IDEX Biometrics ADR, Kintara Therapeutics, Ensynce Biosciences, Cracker Barrel, Oncolytics Biotech, Modiv CI C, InterPrivate II Acqn A, Conformis, Zscaler, and others.

Most Active Stocks

Table of Most Active Stocks listing companies like Cosmos Holdings, ProShares UltraPro QQQ, Mullen Automotive, ComSovereign, ProSh UltraPro Shrt QQQ, and Zscaler.

* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares. † Has traded fewer than 65 days

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year

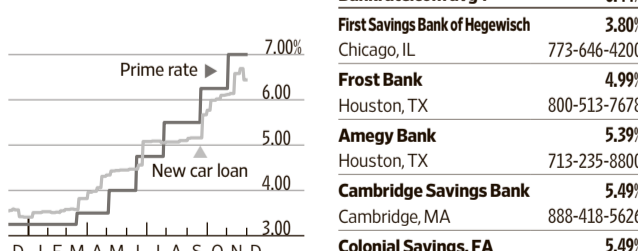
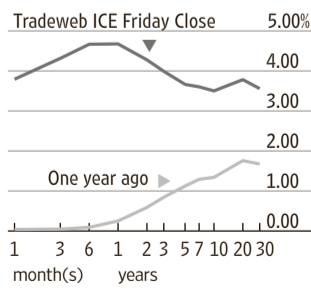


Table of Selected rates for New car loan, including Bankrate.com avg, First Savings Bank of Hegewisch, Frost Bank, Armegy Bank, Cambridge Savings Bank, and Colonial Savings, FA.

Bankrate.com rates based on survey of over 4,800 online banks. * Base rate posted by 70% of the nation's largest banks. † Excludes closing costs. Sources: FactSet; Dow Jones Market Data; Bankrate.com

Treasury yield curve

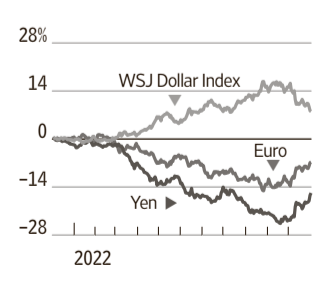
Yield to maturity of current bills, notes and bonds



Sources: Tradeweb ICE U.S. Treasury Close; Tullett Prebon; Dow Jones Market Data

Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Sources: Tullett Prebon; Dow Jones Market Data

Corporate Borrowing Rates and Yields

Table of Corporate Borrowing Rates and Yields for U.S. Treasury, Aggregate, Fixed-Rate MBS, High Yield 100, Muni Master, and EMBI Global.

Sources: J.P. Morgan; Bloomberg Fixed Income Indices; ICE Data Services

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U.S.-dollar foreign-exchange rates in late New York trading

Table of Currencies showing U.S.-dollar foreign-exchange rates for various countries like Argentina, Brazil, Canada, Chile, Colombia, Ecuador, Mexico, Uruguay, Asia-Pacific, Europe, and others.

Sources: Tullett Prebon; Dow Jones Market Data

Commodities

Table of Commodities showing prices and changes for DJ Commodity, Refinitiv/CC CRB Index, Crude oil, Natural gas, and Gold.

Sources: Tullett Prebon; Dow Jones Market Data

THE WALL STREET JOURNAL

Methodology Performance reflects price change (except DAX, Bovespa, and Tel Aviv 35, which reflect total returns). Commodities are represented by the continuous front-month futures contract. Bond exchange-traded fund performance may diverge from that of their underlying index. Bond categories are represented by the following ETFs: U.S. Bonds Total Market: Vanguard Total Bond Market; 1-3 Yr U.S. Treasury: iShares 1-3 Year Treasury; U.S. 7-10 Yr Treasury: iShares 7-10 Year Treasury; 20+ Yr U.S. Treasury: iShares 20+ Year Treasury; Treasury Inflation-Protected Securities (TIPS): iShares TIPS; Investment Grade Corporate Bonds: iShares iBoxx \$ Investment Grade Corporate; High Yield Corporate Bonds: iShares iBoxx \$ High Yield Corporate; Municipal Bonds: iShares National Muni; International Bonds: Vanguard Total International; Emerging Market Bonds: iShares J.P. Morgan USD Emerging Markets.



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MARKET DATA

Futures Contracts

Metal & Petroleum Futures table with columns for Open, High, Low, Settle, Chg, and Open interest.

Commodity Futures table including Wheat, Cattle-Feeder, Cattle-Live, Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar, and Orange Juice.

Currency Futures table including Japanese Yen, Canadian Dollar, British Pound, Swiss Franc, Australian Dollar, Mexican Peso, and Euro.

Index Futures table including Mini DJ Industrial Average, Mini S&P 500, Mini S&P Midcap, Mini Nasdaq 100, and U.S. Dollar Index.

Agriculture Futures table including Corn, Oats, Soybeans, Soybean Meal, Soybean Oil, and Rough Rice.

Interest Rate Futures table including Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, 2 Yr. Treasury Notes, 30 Day Federal Funds, 10 Yr. Del. Int. Rate Swaps, and Three-Month SOFR.

Bonds | wsj.com/market-data/bonds/benchmarks

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Global Government Bonds table with columns for Coupon, Maturity, Country, Yield, and Spread.

Exchange-Traded Portfolios | WSJ.com/ETFresearch table listing various ETFs and their performance.

ETF table listing various exchange-traded funds with columns for Symbol, Closing Price, Chg, and YTD.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Investment-grade spreads table listing Issuer, Symbol, Coupon, Yield, Maturity, and Spread.

Borrowing Benchmarks | WSJ.com/bonds

Borrowing Benchmarks table listing various bond benchmarks.

Money Rates

Key annual interest rates paid to borrow or lend money in U.S. and international markets.

Money Rates table listing Inflation, U.S. consumer price index, and International rates.

Secondary market

Fannie Mae 30-year mortgage yields

Secondary market table listing Fannie Mae mortgage yields.

Prime rates

Prime rates table listing U.S., Canada, and Japan rates.

Policy Rates

Policy Rates table listing Euro zone rates.

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.

New Highs and Lows table listing various stocks and their prices.

Dividend Changes

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; SO: spin-off.

Dividend Changes table listing various stocks and their dividend information.

Stock

Stock table listing various companies and their stock prices.

A Week in the Life of the DJIA

A look at how the Dow Jones Industrial Average component stocks did in the past week and how much each moved the index.

A Week in the Life of the DJIA table listing various stocks and their weekly performance.

Increased

Increased table listing various stocks that increased.

Stocks

Stocks table listing various stocks.

Foreign

Foreign table listing various foreign stocks.

Special

Special table listing various special stocks.

Lows

Lows table listing various stocks that hit new lows.

The Week's Action

Pct Stock Price Point chg (%) change in average Company

The Week's Action table listing various stocks and their weekly performance.

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BIGGEST, 100 STOCKS

How to Read the Stock Tables

The following explanations apply to NYSE, NYSE American and Nasdaq Stock Market listed securities. Prices are composite quotations that include primary market trades as well as trades reported by Nasdaq BX (formerly Boston), Chicago Stock Exchange, Cboe, NYSE National and Nasdaq ISE.

The list comprises the 1,000 largest companies based on market capitalization. Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. Boldfaced quotations highlight those issues whose price changed by 5% or more from their previous closing price was \$2 or higher.

Footnotes: +New 52-week high, -New 52-week low, dd-Indicates loss in the most recent quarter, -Indicates loss in the most recent quarter, FD-First day of trading.

Stock tables reflect composite regular trading activity as of 4 p.m., and changes in the closing prices from 4 p.m. the previous day.

Table with columns: YTD %Chg, 52-Week HI, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various stocks like ABB, ADT, AECOM, etc.

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DEF

Table with columns: YTD %Chg, 52-Week HI, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various stocks like DCP, DISH, DTE, etc.

GHI

Table with columns: YTD %Chg, 52-Week HI, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various stocks like GFL, GSK, AIG, etc.

JKL

Table with columns: YTD %Chg, 52-Week HI, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various stocks like JDO, JPM, JBL, etc.

YTD 52-Week Yld Sym % PE Last Net Chg

Table with columns: YTD %Chg, 52-Week HI, Lo, Stock, Yld, Sym, % PE, Last, Net Chg. Lists various stocks like FLEX, FOM, FORT, etc.

YTD 52-Week Yld Sym % PE Last Net Chg

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YTD 52-Week Yld Sym % PE Last Net Chg

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YTD 52-Week Yld Sym % PE Last Net Chg

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YTD 52-Week Yld Sym % PE Last Net Chg

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Mutual Funds

Table with columns: Fund, NAV, % Chg, % Ret, YTD, Net YTD. Lists various mutual funds like Fidelity, Vanguard, etc.

Fidelity

Table with columns: Fund, NAV, % Chg, % Ret, YTD, Net YTD. Lists various Fidelity mutual funds.

Vanguard

Table with columns: Fund, NAV, % Chg, % Ret, YTD, Net YTD. Lists various Vanguard mutual funds.

Wells Fargo

Table with columns: Fund, NAV, % Chg, % Ret, YTD, Net YTD. Lists various Wells Fargo mutual funds.

WEXYZ

Table with columns: Fund, NAV, % Chg, % Ret, YTD, Net YTD. Lists various WEXYZ mutual funds.

BUSINESS & FINANCE

Tech Heavyweights Fight Canadian Plan On Searches, Payment

Google parent Alphabet Inc., Facebook owner Meta Platforms Inc. and Bytedance Ltd., TikTok's owner, are pushing back against a proposal in Canada that would force digi-

By Paul Vieira in Ottawa and Vival Monga in Toronto

tal platforms to more prominently feature Canadian content and compensate news outlets.

The new rules, championed

by Canadian Prime Minister Justin Trudeau, would require reworking existing algorithms so that if a person in Canada searched on YouTube, for example, the results would display videos mostly from Canadian artists ahead of foreign or U.S.-made content.

The proposed legislation would also obligate the digital-media companies to make annual payments for Canada's artistic community. Officials have estimated the payments could total roughly 1 billion

Canadian dollars, or the equivalent of \$750 million.

The legislation will "protect the future of our culture as Canadians," said Pablo Rodriguez, Canada's heritage minister, appointed last year by Mr. Trudeau to implement the rule changes. "This is simply about the digital platforms paying their fair share toward our culture." The money, he added, would help increase the amount of French-language and indigenous-made programming in the country.

Alphabet's YouTube division, as well as TikTok and streaming companies such as Netflix, have objected to the proposal in a series of private meetings with Canadian officials, according to people with knowledge of the talks, and in testimony before parliamentary committees.

Meta Platforms also threatened in October to block access to Canadian news content—like it did in Australia last year—should Canada compel digital platforms to pay media organizations for links to their stories. Canada is pursuing the payments for domestic media organizations through separate legislation.

In June, in a meeting in Los Angeles, Alphabet and Google Chief Executive Sundar Pichai pressed Mr. Trudeau to reconsider the legislation because of its possible longer-term impacts, according to people familiar with the encounter. Google has previously argued smaller Canadian artists, some who have developed a global viewership, risk losing ad revenue because redesigned algorithms could lead to fewer views outside Canada as their material is directed to audiences that aren't interested in the content. The platform and artist share ad revenue.

Mr. Trudeau was unmoved by Mr. Pichai's entreaties, according to people familiar with the discussions. The Canadian leader met with Mr. Pichai at the Summit of the Americas, which President Biden hosted to address economic, climate and migration issues.

Canada's proposed changes "would require YouTube to manipulate our systems and surface content according to the government's priorities, rather than the interests of Canadian users and creators," Neal Mohan, YouTube's chief product officer, said in an interview with The Wall Street Journal, while in Ottawa to speak to government officials and lawmakers.

The proposed legislation



FROM TOP: NATHAN DENNETTE/ASSOCIATED PRESS; JOSH EDELSON/AGENCE FRANCE PRESSE/GETTY IMAGES



Canadian Prime Minister Justin Trudeau, second left, championed the rules that would require search results from Canada to feature content from Canadian artists.

The proposed rules targeting streaming and compensation for domestic media outlets are drawing the most scrutiny. The third piece deals with protecting Canadians' privacy in the digital economy.

Mr. Trudeau has also promised a fourth bill that intends to regulate harmful online content, and hold online platforms accountable for hosting such material.

Mr. Rodriguez, the heritage minister, acknowledged that digital companies play an important role in creating jobs for Canadians.

"But for us, this is about making them more accountable," he said in a recent interview. As for their lobbying, he said, "I am not intimidated by them....I'm open to discussion, and open to changes—but I am not open to doing nothing" on regulating platforms.

The streaming legislation is now in the country's Senate for review. Senators are debating nearly 100 amendments to the bill. The amendments, among other things, aim to exclude from regulation user-generated content uploaded to platforms such as YouTube and TikTok, and curtail the cabinet's power to issue regulatory orders.

Canada's legislation on streaming "runs the very real risk of cutting us off from the world, making us big fish in a little pond when we should be focusing on just making great fish," Stewart Reynolds, a comedian known for his uploaded videos on Facebook and YouTube who goes by the stage name "Brittlestar," told Canadian senators in testimony on Oct. 19.

"Forcing people to view content because it's Canadian does not encourage people to like that content."

leaves the task of defining content rules and enforcing them to the Canadian Radio-Television and Telecommunications Commission, the broadcast regulator.

The debate is being closely watched in other countries that are also considering regulatory changes to protect domestic interests after the world's biggest digital companies have transformed how households watch programs and consume news.

"I'm keen to see what the future developments in Canada will be," said Claudia Roth, Germany's minister of state for culture, following a meeting this year of cultural-policy officials from the Group of Seven countries. "I believe that we can learn a lot from that."

The Biden administration warned Canada this past week that the bills targeting online streaming and the sharing of online news content "discriminate against U.S. businesses," according to a statement from U.S. Trade Representative Katherine Tai, following a meeting with her Canadian counterpart. A spokeswoman for Canada's trade minister said the legislation is consistent with the country's trade obligations.

When he came to power in 2015, Mr. Trudeau, the prime minister, aggressively courted big digital companies to invest and create jobs in Canada, and feted the leadership at Google

and Facebook for their positive impact on society.

"Canada is the right place to shape the future—a future where things like artificial intelligence and deep learning help create jobs, improve our quality of life, and generate new opportunities for the middle class and those who want to join it," said Mr. Trudeau at a 2017 event regarding Facebook's decision to open a lab in the Canadian leader's hometown of Montreal.

The honeymoon with big tech ended after Mr. Trudeau

Meta also threatened in October to block access to Canadian news content.

and his aides learned through the Cambridge Analytica incident about the role social media played in polarizing American society, alongside growing worries among Canadian policy makers about online harassment and safety, according to current and former officials. By early 2019, Mr. Trudeau signaled his government would regulate digital platforms.

Canada's Parliament is working on three pieces of legislation that target big tech companies.

Amazon Executive Who Oversaw Entertainment Push Exits Company

By JOE FLINT AND DANA MATTIOLI

Veteran Amazon.com Inc. executive Jeff Blackburn, who played a key role in the tech giant's push into entertainment, is leaving the company.

In a memo to staff, Amazon Chief Executive Andy Jassy said the departure of Mr. Blackburn, who had returned to Amazon about 18 months ago from a sabbatical, will result in restructuring and leadership changes at the global media and entertainment division, which Mr. Blackburn oversaw.

"Over the past year-and-a-half, he's helped set us up for continued success in media and entertainment," Mr. Jassy said of Mr. Blackburn's brief second stint with the company.

Amazon Senior Vice President Mike Hopkins will continue in his role as day-to-day head of Amazon Prime and its television and movie studios. Mr. Hopkins now reports directly to Mr. Jassy.

In a memo to staff announcing his departure, Mr. Blackburn said he wanted to spend the next year with family and called the past 18 months—a period in which Amazon acquired the MGM movie and television studio



MATT WINKELMEYER/GETTY IMAGES

Jeff Blackburn held many senior positions over his 25 years with Amazon and worked closely with founder Jeff Bezos.

and landed the rights to the National Football League's "Thursday Night Football" franchise—"a thrill."

Mr. Blackburn spent more than 25 years with Amazon, holding many senior positions and working closely with Amazon founder and Executive Chairman Jeff Bezos.

In his latest role, Mr. Blackburn also was responsible for Amazon Music, Wonderly, Audible, Twitch and Amazon Games. Steve Boom, who is in charge of Amazon's music and podcasting teams, will add that component of Mr. Black-

burn's job and also report to Mr. Jassy.

Amazon is currently in one of the most challenging periods in the company's history. Its stock is down 44.6% year-to-date, and Amazon recently began the largest round of layoffs since its founding. The company could shed as many as 10,000 jobs as part of the layoffs, The Wall Street Journal has reported. In light of this, Mr. Jassy and his team have been conducting a companywide profitability review to cut costs and boost profitability, the Journal has re-

ported.

Amazon has been moving further into the content arena as a means to keep consumers on its platform. Besides adding more sports such as "Thursday Night Football," it is spending heavily on scripted shows, including its very expensive "Lord of the Rings" series.

Mr. Blackburn marks the latest high-profile defection from Amazon's vaunted "S-Team," or team of senior leaders put in place under Mr. Bezos when he was CEO. The S-Team now works under Mr. Jassy.

In July, Dave Clark, Amazon's CEO of Worldwide Consumer, left the company. The Wall Street Journal reported that Mr. Clark, a 23-year veteran of Amazon, was tired of Mr. Jassy's day-to-day, hands-on style of managing.

Alicia Boler Davis, Amazon's senior vice president of global customer fulfillment and a member of the company's S-Team, resigned in June. Tom Taylor, a senior vice president of Amazon's Alexa division, also recently departed the company. Jay Carney, who was Amazon's lead public relations and public policy official and also was on the S-Team, announced his resignation in July.

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MARKETS

Liquidators Win a Round vs. Three Arrows

Judge grants request to subpoena founders of crypto hedge fund and obtain records

By JONATHAN RANDELES

A U.S. bankruptcy judge ordered the founders of Singapore-based **Three Arrows Capital** Ltd. to turn over records related to the failed cryptocurrency hedge fund's assets to its liquidators.

Judge Martin Glenn of the U.S. Bankruptcy Court in New York granted the liquidators' request to subpoena Three Arrows founders Su Zhu and Kyle Davies as part of an effort to recover the hedge fund's assets. Messrs. Zhu and Davies have offered only limited cooperation so far and have failed to provide a complete set of books and records, according to the liquidators' court filings.

The subpoenas authorized Friday seek documents related to Three Arrows' cryptocur-

rency wallets, accounts and other assets, as well as records of the founders' communications on email, Twitter, Discord, WhatsApp and Telegram. The liquidators also want to question Messrs. Zhu and Davies under oath, according to court documents.

Although Judge Glenn authorized the subpoenas, he said he needed more evidence before deciding whether to grant the liquidators' request to serve legal notice to Messrs. Zhu and Davies through their Twitter accounts. The liquidators have said they aren't sure where the founders are currently residing after spending months trying to determine their exact locations.

During Friday's court hearing, the liquidators said they still don't know where the founders are, but they suspect Mr. Davies is in Bali and Mr. Zhu is in Indonesia, too, or in the United Arab Emirates.

Messrs. Zhu and Davies couldn't be reached for comment on Friday. Representatives for the founders haven't



During Friday's court hearing, the liquidators said they still don't know where the founders are.

where they have discussed the theory that the recent collapse of crypto exchange FTX caused Three Arrows to fail, the lawyer said.

"It's interesting, to say the least, that the first time we've heard this theory that [FTX caused the downfall of [Three Arrows] was after FTX's own sensational collapse," Mr. Goldberg said.

Despite limited cooperation from the founders, the liquidators said they have made progress unwinding Three Arrows' affairs and have now taken control of government-issued currencies totaling \$35.6 million as well as various crypto tokens.

Mr. Goldberg said that although Messrs. Zhu and Davies have tried to conceal their activities, liquidators have identified transfers showing they used Three Arrows funds to pay for a superyacht named the Much Wow. The lawyer also said Three Arrows' founders worked with security experts in June to set up secure communications that could be deleted.

appeared in the New York bankruptcy-court proceeding. The founders have previously denied allegations that they haven't cooperated with the investigation.

Three Arrows collapsed this summer following a rout in cryptocurrency prices. Its

founders applied to have it liquidated in the British Virgin Islands, where Three Arrows is incorporated, after which court-appointed liquidators filed for U.S. bankruptcy protection in New York.

Adam Goldberg, a lawyer representing the liquidators,

said in court Friday that although Messrs. Zhu and Davies haven't cooperated with the investigation, the founders have tried to rehabilitate their public image through press interviews.

The founders have recently been more active on Twitter,

Stocks Pare Losses After Jobs Data

Continued from page B1

But this year, money managers have seen a tight labor market as proof that the Fed will have to keep raising rates to slow down the economy. That, in turn, has weighed on markets.

"The adverse reaction to the nonfarm payroll numbers sits in that counterintuitive world of good news is bad news as it pertains to what the Fed might have to do," said Art Hogan, chief market strategist at B Riley Wealth Management. "To me, that's always a mistake and

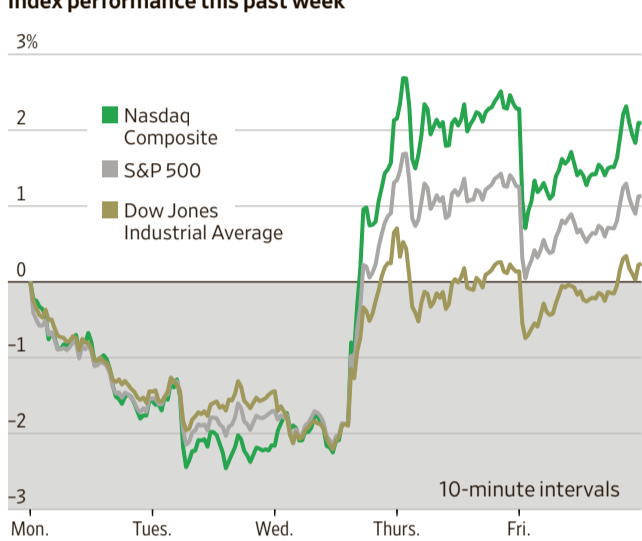
likely will alleviate next week."

Mr. Hogan said he believes the Fed is unwilling to "crush" the labor market and that Friday's jobs number was in line with previous months and unlikely to have a huge impact on the central bank's decision-making.

Stocks began the week lower amid widespread protests in China. They rebounded strongly on Wednesday thanks to a speech from Federal Reserve Chairman Jerome Powell, who said the central bank is on track to lower the pace of interest-rate increases starting this month. Still, Mr. Powell also said that the labor market needed to cool more for the Fed to be confident that inflation will decline toward its target rate.

"Basically, everything is hinging on what the Fed may or may not do. And this is the next big piece in that puzzle," said Fahad Kamal, chief in-

Index performance this past week



Source: FactSet

62.1%, which could lead to even higher competition for workers.

"The surprisingly high increase in hourly earnings may spook investors bracing for the Fed to react with another aggressive rate increase," Bryce Doty, senior portfolio manager at Sit Investment Associates, wrote in a note Friday.

The Fed is expected to raise rates by a half percentage point at its next meeting in two weeks, ending a string of supersize 0.75-point rate rises at its past four meetings.

The yield on the benchmark 10-year Treasury ended the day lower at 3.517%, from Thursday's 3.525%. Bond yields rose earlier in the day after the jobs report before retracing.

PayPal Holdings Inc. was the index's worst performer Friday, with shares falling 4.9%, or \$3.87, to \$74.66. En-

phase Energy Inc. led gains, adding 7%, or \$22, to close at \$336.

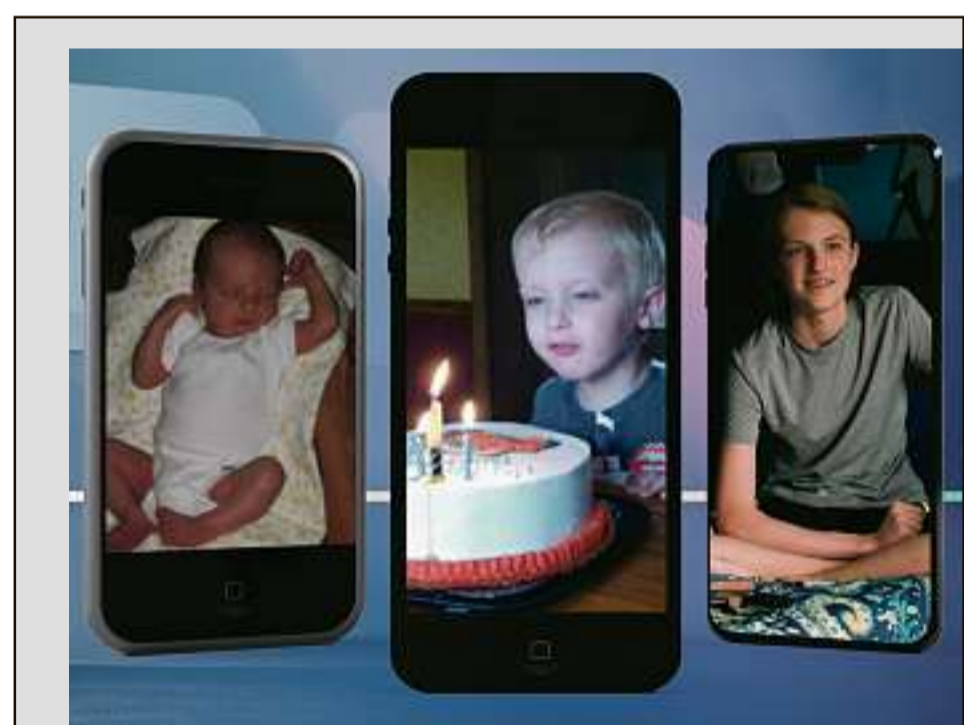
Meanwhile, crude prices fell after the European Union reached a deal to cap Russian oil at \$60 a barrel. Brent, the global benchmark, retreated 1.5% to \$85.57.

The price cap, which will ban Western companies from insuring, financing or shipping Russian oil, is intended to keep Russian crude flowing into the global market with limited financial upside for the Kremlin.

Overseas, the pan-continental Stoxx Europe 600 closed down 0.2%.

In Asia, most major benchmarks declined. The Shanghai Composite Index and Hong Kong's Hang Seng both slipped 0.3%.

The yen strengthened against the dollar. That weighed on the Nikkei 225 stock index, sending it down 1.6%.



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