

THE WALL STREET JOURNAL.

What's News

Business & Finance

U.S. existing home sales fell in July for the sixth straight month, the longest streak of declines in more than eight years, as higher mortgage rates and a shortage of homes for sale cool the once red-hot market. **A1**

◆ **Investor Ryan Cohen** cashed out his entire position in Bed Bath & Beyond this week, capping a wild stretch of trading in the company's shares and marking the latest sign that meme-stock mania is still alive. **A1**

◆ **The Big Ten struck** a new seven-year TV-rights contract with Fox, CBS and NBC that people familiar with the matter said is worth up to about \$7.5 billion. **A1**

◆ **Turkey's central bank** unexpectedly cut key interest rates for the first time in eight months, resuming an unconventional policy that triggered a currency crisis last year. **A8**

◆ **St. Louis Fed chief Bullard** said he is considering support for another large interest-rate increase at the central bank's policy meeting next month. **A9**

◆ **U.S. stocks edged higher**, with the S&P 500 and Nasdaq both posting gains of 0.2% and the Dow industrials advancing 0.1%. **B11**

◆ **Stablecoin issuer Tether** said that it switched the accounting firm that signs off on its attestation reports to BDO Italia, the Italian member firm of BDO. **B1**

◆ **Kohl's said** its net income fell 63% in the latest quarter on lower sales, and the department-store chain cut its guidance for the year. **B3**

World-Wide

◆ **A federal judge said** he would make public at least part of an affidavit detailing the evidence that led the FBI to search Trump's Mar-a-Lago home, after a Justice Department official said a full release would jeopardize the investigation into the former president's handling of classified information. **A3**

◆ **The Biden administration** is planning for an end to its practice of paying for Covid-19 shots and treatments, shifting more control of pricing and coverage to the healthcare industry in ways that could generate sales for companies, and costs for consumers, for years to come. **A4**

◆ **Ukraine's Zelensky met** with the leaders of Turkey and the U.N. to discuss food shipments from Ukraine and the increasingly tense situation at the Zaporizhzhia nuclear plant, as Ukraine continued to hit Russian logistical hubs. **A6**

◆ **Russia is moving** to close a nonprofit organization that helps Russian Jews emigrate to Israel, amid tensions over Israel's stance on Russia's war in Ukraine. **A16**

◆ **The man accused** of trying to kill Salman Rushdie was motivated by strong feelings that the acclaimed novelist had disrespected Islam, prosecutors said. **A3**

◆ **More than 7.5 million** people who defaulted on their federal student loans would be able to regain their eligibility for financial aid under guidelines released by the Biden administration. **A5**

◆ **Died: Hanae Mori**, 96, fashion designer. **A16**

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Trump Organization's Former Finance Chief Pleads Guilty



IN THE SPOTLIGHT: Allen Weisselberg, center, a longtime confidant of Donald Trump, pleaded guilty Thursday to 15 felonies for what he admitted was a tax-fraud scheme he committed while chief financial officer at the former president's company. Under the terms of his plea agreement, Mr. Weisselberg will testify if called as a witness at the Trump Organization's trial. **A3**

Investor in Bed Bath & Beyond Sells Stake, Stirs Stock Frenzy

By CAITLIN MCCABE AND GUNJAN BANERJI

Billionaire investor Ryan Cohen cashed out his entire position in Bed Bath & Beyond Inc. this week, capping a wild stretch of trading in the stock and marking the latest sign that meme-stock mania is still alive.

Mr. Cohen, the co-founder of pet-supply retailer Chewy Inc., developed a deep fan base of individual investors last year after he ascended to become chairman of GameStop

Corp., the original meme stock. In March, he revealed another activist position in Bed Bath & Beyond, sparking a rally in its share price.

Many individual investors followed Mr. Cohen into Bed Bath & Beyond, in support of his endeavor to push for changes to turn the company around. They cheered his agreement to add three new directors to the board. Then, this week, they watched him unload his shares, some with dismay. Just a few days ago, the

trajectory of the stock seemed different. Many individual investors started piling into the shares in August, and chatter on social media lit up once again. Trading activity was haywire at times, marked by halts in trading and frenzied activity in the company's options bets, with many positioning for an even bigger swing in the shares.

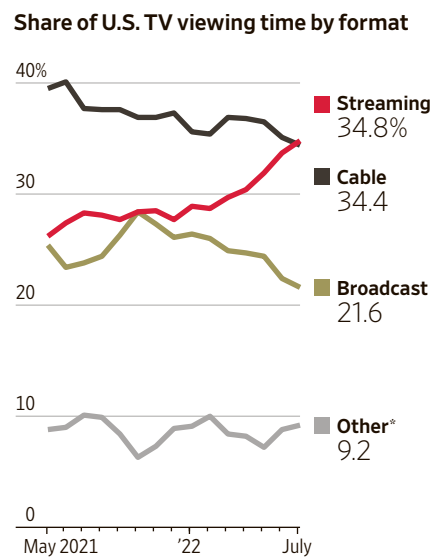
At its August peak, Bed Bath & Beyond shares climbed to \$30 intraday, up nearly 500% for the month. They finished Thursday at \$18.55,

down 20%—after Mr. Cohen's proposal to sell his shares was revealed—before falling an additional 44% in after-hours trading after securities filings showed that he had sold all of his shares.

"Somebody bought it at \$30, and someone lost 12 bucks a share to enrich Ryan Cohen," said Michael Pachter, an equity research analyst who covers GameStop for Wedbush Securities. "That's a retail investor who bought the stock." *Please turn to page A5*

Stream Services Overtake Cable TV

Americans spent more of their July TV-viewing time streaming content on services such as Netflix, YouTube and HBO Max than they did watching cable television, according to data from Nielsen, marking the first month that streaming has overtaken cable. **B1**



*Other includes all other TV formats including streaming through a cable set-top box, gaming and DVD playback systems, among others. Source: Nielsen

Big Ten Reaches New Seven-Year TV Deal For Up to \$7.5 Billion

By LAINE HIGGINS

The Big Ten struck a massive new seven-year contract with Fox, CBS and NBC that people familiar with the matter said is worth up to about \$7.5 billion, catapulting the conference to the front of a cash-driven race for domination among a dwindling number of top college conferences.

The Big Ten's contract is the richest ever for a college athletic conference and the latest landmark in an era in which the surging value of college football's broadcast rights have redefined and reshaped the sport. Whereas a group of five top athletic conferences recently ruled college football's airwaves, that number has narrowed to two: the Big Ten and the Southeastern Conference.

The Big Ten has separated itself from other leagues in part by expanding the geographic

reach of the conference to add one of the nation's top media markets. Less than two months ago, the Big Ten announced it had landed Southern California and UCLA as future members, shocking the sports world by expanding the Midwest-based conference to the West Coast and driving up the bidding to telecast Big Ten games.

The SEC did something similar last year, announcing it was adding football behemoths Texas and Oklahoma by 2025. In 2024, when the SEC's new deal with Walt Disney Co.'s ESPN takes effect, the conference will generate more than \$800 million annually in media rights, according to a person familiar with the matter. That number stands to increase again after the new teams join.

The Big Ten and SEC each will have 16 member schools once their current expansion *Please turn to page A4*

Wall Street Bets the Fed Is Bluffing in Inflation Game

Fed officials try to dismiss investors' view that inflation has peaked

By AKANE OTANI

The Federal Reserve says it is going to keep raising interest rates. Wall Street thinks it's bluffing. This could spell trouble for both of them. Markets pummeled by the Fed's rate increases in the first half of the year are racing upward. The S&P 500 is up 17% from its mid-June low. The yield on the 10-year U.S. Treasury note, which is used to help set rates on debt such as mortgages and student loans is down more than half a percentage

point from its June peak. Even battered cryptocurrencies have jumped.

For many investors, the rebound reflects a belief that inflation has peaked, and expectation that the Fed will shift from raising rates to lowering them sometime next year.

A parade of Fed officials has tried to push back. "There's a disconnect between me and the markets," Minneapolis Fed President Neel Kashkari said last week. *Please turn to page A9*

◆ Fed's Bullard leans toward 0.75-point rise..... A9

Russia's Mercenaries Plug War Gap

By YAROSLAV TROFIMOV

In May, Italian television journalists asked Russian Foreign Minister Sergei Lavrov about the role Wagner Group, a private military company, was playing as Moscow began its offensive in Ukraine's eastern Donbas area. He dismissed the question.

Wagner, he said, wasn't deployed in Ukraine and had no connection to the Russian state.

But, according to Ukrainian commanders, Wagner's fighters have proven indispensable in Russia's few successes in Donbas. Once ordered to minimize Wagner's role, Russia's official media is awash with reportage about the heroic exploits of the

company, which likes to call it self the "orchestra" and its soldiers "musicians."

Wagner's owner, Yevgeny Prigozhin, known as President Vladimir Putin's chef because of his catering contracts with *Please turn to page A8*

◆ Kyiv urges action on 'nuclear blackmail'..... A6

What Exploded? Oh, You Just Dropped Your Steel Water Bottle

Metal vessels offer guilt-free hydration, and embarrassment when they hit the floor

By CONNOR HART

Heather Hoffmeyer aimed to keep a low profile on one of her first days of class this summer term at Butler University.

Instead, she started with a clang. The 22-year-old aspiring physician assistant walked into her classroom juggling a back-

pack, medical equipment and lunch. She also toted her Hydro Flask, a stainless-steel water bottle she has brought nearly everywhere since acquiring it during undergraduate studies.

As she swung her backpack around to sit down, the Hydro Flask slipped out of a side pocket and fell to the hard *Please turn to page A2*

Home Sales Fall For Sixth Straight Month

Streak of declines is greatest in eight years as high prices, rising rates deter buyers

By DAVID HARRISON AND NICOLE FRIEDMAN

U.S. existing home sales fell in July for the sixth straight month, the longest streak of declines in more than eight years, as higher mortgage rates and a shortage of homes for sale are cooling this once red-hot market.

Sales of previously owned homes dropped 5.9% in July from the previous month to a seasonally adjusted annual rate of 4.81 million, the National Association of Realtors said Thursday. That was the weakest pace of sales since November 2015, excluding the three-month pandemic-related drop in the spring of 2020. July sales fell 20.2% from a year ago.

The drop-off is the latest sign that the formerly booming housing market is stalling out. Home building is also drying up, and mortgage applications are falling as more buyers keep to the sidelines.

"We are in a housing recession," said Lawrence Yun, chief economist for the National Association of Realtors.

That is hurting potential buyers while benefiting existing homeowners, many of whom locked in their mortgages at lower rates and have seen their home values soar, he said.

The housing market went *Please turn to page A2*

◆ Orlando considers a ceiling on soaring rents..... A2

INSIDE

MANSSION

Full-time RVers work remotely while seeing the country from their wheeled homes. **M1**

U.S. NEWS

Orlando Considers a Ceiling on Soaring Rents

By WILL PARKER

A clash over the prospect of rent control in central Florida is heating up this month and will be closely followed across the U.S., as other cities consider ways to address record high rents.

The board of commissioners for Orange County, which includes Orlando, last week moved to put a measure on the November ballot to let voters decide whether to limit how much landlords can boost apartment rents.

While Orange County officials estimate that more than 100,000 households could be eligible for rent control, its passage faces significant challenges. Florida law mostly prohibits price controls on rent, unless Orange County can prove it is experiencing a housing emergency.

The first challenge to the rent-control vote came Monday, when two real-estate trade groups filed a lawsuit against Orange County. They said the ballot proposal violates state law and shouldn't be put to voters.

"It is unfortunate that a majority of the Orange County Commission disregarded the law and instead moved to place this measure on the ballot," said Amanda White, a spokeswoman for the Florida Apartment Association, one of the organizations suing the county.

A spokeswoman for Orange County said the county doesn't comment on active litigation.



Lake Eola Park, in Orlando, Fla., where rents are rising at one of the fastest rates in the U.S. County officials estimate more than 100,000 households could qualify for rent control.

Orange County's vote on rent control marks the latest effort by a city or local government to introduce measures that are outlawed or preempted in more than two dozen states. But with rents nationwide at all-time highs and climbing, and with progressive Democrats exerting more power in major cities, rent control is getting a fresh look.

California and Oregon have passed statewide measures over the past four years that peg maximum rent increases to inflation rates. Cities including St. Paul, Minn.; Portland,

Maine; Kingston, N.Y. and Santa Ana, Calif., have passed their own rent controls since then.

Other legislative attempts have failed, however, including a bill in New York to cap rents statewide, and a bill in Colorado limiting ground rent increases for mobile homes.

Orlando rents have risen 35% since March 2020, according to listings website Apartment List, by far the fastest rate recorded for the city and among the biggest increases in the U.S.

The Orange County rent measure would expire after one year, and voters would

have to vote again to renew it. The proposed law would set a maximum increase of no more than the regional change in the consumer price index, which rose 9.4% in the 12 months ended in July.

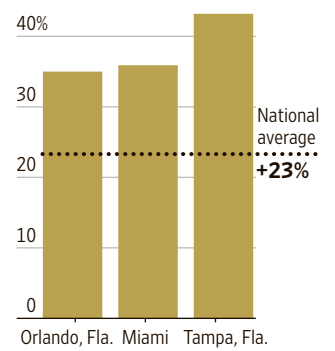
Officials who support it say the measure would ease the toll of housing inflation on renters, while lawmakers work on other policies to increase new housing supply.

"It gives us a chance to pump the brakes," Nicole Wilson, one of the commissioners in favor of the rent control, said during a board meeting last week.

The real-estate industry and some lawmakers argue that rent control will lead to less property investment and lower rates of construction in the Orlando area.

Rent control in Orange County would apply only to multifamily buildings. It would exempt owners of single-family properties, which have also enjoyed unusually high rent increases during the pandemic. Landlords could request exceptions from the rent cap because of increased operating or maintenance costs.

Increase in median rent since March 2020



Source: Apartment List rent estimates

Home Sales Fall a Sixth Month

Continued from Page One

into this year the hottest it has been in about 15 years. The pandemic spurred new demand once restrictions loosened around the middle of 2020. Many home buyers looked for more space to work from home while others were willing to move farther from their office as remote work became more widespread. Near-record-low mortgage rates added fuel to the rally, and bidding wars became commonplace throughout the U.S.

Now, sales are slowing and the relentless rise in home prices is showing some signs of easing after repeated new highs. The median sales price of an existing home fell to \$403,800 from a record \$413,800 in June, the first decline since January, according to NAR.

While a dip in prices in July isn't uncommon, economists have been watching for signs of easing price pressures as demand slides. Some expect price declines might arrive by year-end.

"We're going to see a deceleration as we get towards the end of this year and early next year," said Scott Murray, a financial-markets economist at Nationwide.

Prices should be more stable next year, he said, "which I think is a really good sign not just for the housing market but for inflation."

Higher borrowing rates have taken much of the air out of the market, economists said. The Federal Reserve has been raising interest rates aggressively to cool inflation, and mortgage rates have climbed in response.

This week, the average 30-

year mortgage rate stood at 5.13%, according to housing-finance agency Freddie Mac. That is slightly lower than last week but still well above the 2.86% rate of a year ago. Before this year, mortgage rates hadn't topped 5% since 2011.

The combination of high prices and rising interest rates has pushed home-buying affordability to its lowest level in decades. People entering the housing market now typically pay 25% of their income on mortgage payments, up from 15% before the pandemic, Mr. Yun said.

Part of the problem is that there aren't enough homes for

sale, which means houses don't sit on the market very long despite high prices. The median home sold in 14 days in July, matching the fastest pace on record, according to NAR.

At the end of July there were 1.31 million homes available, up 4.8% from June, according to NAR, a sign that the market might be starting to loosen up.

"Just in the last 45 days, it's a whole new market," said Quentin Dane, a real-estate agent in Raleigh, N.C. The number of new leads coming into his brokerage has dropped by half, he said, and

the inventory of homes for sale has increased. "We're definitely seeing buyers take a breath," he said.

Almost 16% of home-purchase agreements that were pending in July fell through, the highest level since April 2020, when the pandemic disrupted the market, according to real-estate brokerage Redfin Corp. Some buyers are backing out if sellers won't renegotiate the price or make requested repairs, and others are worried about a potential recession, Redfin said.

Nicholas and Katie Carosella started house hunting in the Philadelphia suburbs this spring and lost out to other buyers on two offers. In June, the market started to shift, Mr. Carosella said.

"All of a sudden, as mortgage rates continued to climb, it seemed like there was a frenzy of houses coming on the market," he said. Homes started sitting on the market longer, especially those that needed renovations. "Buyers were becoming pickier," he said.

The Carosellas had their third offer accepted in June for about 3.3% above the asking price. When they listed their current home for sale in July, it also sold for slightly over the asking price.

The share of first-time buyers in the market fell to 29% in July, from 30% a year ear-

lier. About 24% of July existing-home sales were purchased in cash, up from 23% in the same month a year ago, NAR said.

Existing-home sales fell the most month-over-month in the West, down 30.4% from a year ago, and in the South, down 19.6%.

Other indicators this week also point to a housing market that is grinding down.

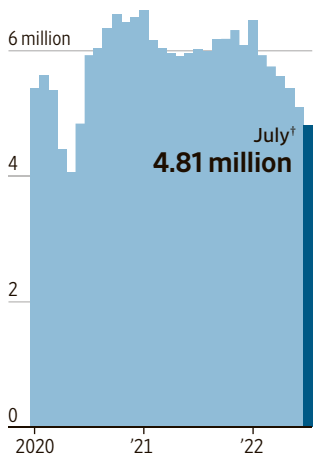
A measure of U.S. home-builder confidence fell for the eighth straight month in August to the lowest level since May 2020, the National Association of Home Builders said this week. About one-fifth of builders surveyed said they had reduced prices in the past month, NAHB said.

Mortgage applications fell 2.3% last week from the preceding week, the Mortgage Bankers Association said Wednesday.

And housing starts, a measure of U.S. home building, fell 9.6% in July from June, the Commerce Department said this week. Residential permits, which can be a bellwether for future construction, fell 1.3%.

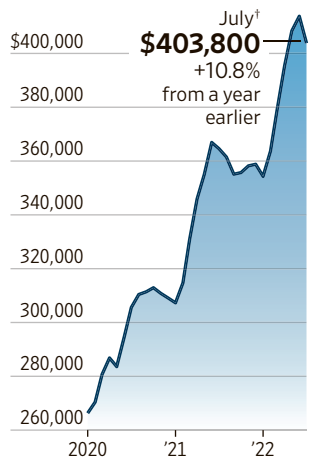
Private-sector residential spending fell at a seasonally adjusted annual rate of 14% in the second quarter, according to the Commerce Department. That contributed to a 0.9% decline in overall economic growth during the quarter.

U.S. existing-home sales*

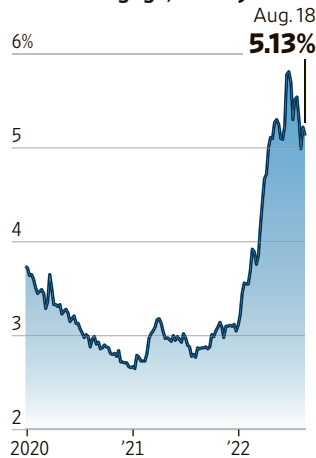


*Seasonally adjusted annual rate. †Preliminary. Sources: National Association of Realtors (existing-home sales and price); Freddie Mac (30-year mortgage)

Median existing-home price



Average rate on 30-year fixed mortgage, weekly



The Steel Bottle's Downside

Continued from Page One

floor, making itself noisily known.

"The whole classroom just look at me, because—one—I look like a pack mule with all my bags," Ms. Hoffmeyer says. "Then, to top it all off, my Hydro Flask is making this huge clanking as it rolls away."

Large reusable stainless-steel water bottles, such as the ones made by Helen of Troy Ltd.'s Hydro Flask and Simple Modern, are nearly everywhere, including offices, gyms and college campuses.

The bottles let users cut back on single-use plastics and are typically insulated to keep beverages chilled.

And they are loud when they hit the deck.

Ms. Hoffmeyer apologized to the class before scrambling to retrieve her yellow bottle. "On the bright side," she said, "they also know that I am a sustainable queen, and I use a reusable water bottle."

In the silent waiting room of a walk-in clinic, Sarah Luxton once watched her bottle slip out of her bag—seemingly in slow motion—and crash to the

floor. The 23-year-old student in Ontario, Canada, says her Hydro Flask is like a third leg, attached at her hip at all times.

Embarrassed, she scrambled after it as its clanging scared everyone in the room. "It's the front of thing you just hope that no one sees or hears," Ms. Luxton says. "But of course everyone sees and hears it. How could you not when they're so loud?"

Mike Beckham, chief executive of Simple Modern, describes the sound of his companies' bottles dropping as a distinctive high-pitched "ting." The company monitors reviews and customer-service complaints but doesn't often see ones regarding noise, he says. "Most people understand—they're just super loud."

Metal water bottles have become so popular on college campuses that Peter Ubertaino, vice president for academic affairs at Caldwell University, says he considers them part of a uniform: "You get so used to them falling."

Teachers have vented online about bottle noise in an online thread titled "Can we talk about Hydroflasks and the like?" on the Reddit forum.

"Is anyone else tired of hearing loud metal clanging against the floor everyday?" one Reddit user wrote. "I understand they're much better for our environment but holy cow. Carpeted-classroom teachers, I envy you." Eliza Richardson Marone, an

associate teaching professor of geoscience at Pennsylvania State University, has taught classes in theater-style lecture halls that cause dropped water bottles to roll down toward the front. "That's always kind of funny," she says, "watching students scramble to go get them."

Hydro Flask embraces its classroom-disrupting powers. "During the pandemic, we also missed the sound of our Hydro Flask bottles rolling down the aisle in a silent lecture hall," says Hydro Flask Director of Marketing Yiorgos Makris, "and we were thrilled when students

were able to safely return to class." Jatin Chowdhury, a 25-year-old electrical engineer, studied the sounds that metal water bottles emit as part of a Stanford University team of graduate students.

The team wrote in the published findings of their research: "Although water bottles are not designed to function primarily as musical instruments, the authors have noticed that certain bottles produce a pleasing resonant sound when struck with a mallet, knuckle, or other body part."

The most surprising research finding, Mr. Chowdhury says, was just how complex an acoustic system an insulated water bottle can be. The bottle's size will affect the frequency of sound waves inside of it, he says, so smaller bottles make more of a "ding," while larger ones make more of a "gong."

Bottles made of cheaper materials have more molecular impurities that cause the sound waves traveling through space to lose energy, deadening the sounds. More-expensive homogeneous materials allow the sound waves to "ring out" for a longer period, Mr. Chowdhury says.

Fallen bottles full—or partially full—of water will have an "almost-bouncing sound," he says, as the water sloshes inside.

The Wall Street Journal dropped a sampling of bottles—Hydro Flask, Klean Kanteen, Laken and H2go—and recorded the results, ranging from a hollow resonant sound to a loud metallic clang.

"Though we certainly don't encourage dropping our bottles," says Hydro Flask's Mr. Makris. "We encourage you to give it a gentle tap at different water levels. For the musically inclined, it can spur some creativity or for students it's simply the Pavlovian bell of learning."

The ring of a dropped Klean Kanteen bottle, says a spokes-

woman for the company, is "that sweet sound when sustainable recycled materials hit Mother Earth."

H2go didn't respond to requests for comment. Automated responses from Laken said the company is closed for summer holidays.

The dropped-bottle impact can go beyond the auditory, Dr. Saylee Tulpule found. A patient came to the podiatrist in the greater Washington, D.C., area, in recent weeks after dropping a water bottle on a foot at the gym. Luckily, the patient's foot was only bruised.

Shawn McEntyre, a 38-year-old video producer, says his most embarrassing drop occurred in 2019 while manning the AV booth in Utah for a companywide presentation. The room was silent, save for the presenter.

The silence was shattered when, alone in the booth, he knocked his bottle onto a stack of metal chairs. "Everyone turned around and was looking at me," he says. "I even got a shout-out from the guy giving the presentation."

After another drop, in Mr. McEntyre's kitchen, his two cats sprinted out, fear-stricken. He tweeted:

"The floors quake, animals of all species run for their lives, children begin to cry adults jump from pure fear and terror, the impact is deafening."

"I dropped my hydro flask."

CORRECTIONS & AMPLIFICATIONS

The Dodge automobile brand is 108 years old. A Business & Finance article on Thursday about the company's electric concept car incorrectly described Dodge as 122 years old.

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

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U.S. NEWS

Weisselberg Pleads Guilty To Tax Crimes

By CORINNE RAMEY

Allen Weisselberg, a long-time confidant of Donald Trump, pleaded guilty Thursday to 15 felonies for what he admitted was a tax-fraud scheme he committed while finance chief at the former president's company.

Mr. Weisselberg entered a guilty plea to every criminal count he faced, including grand larceny, tax fraud and conspiracy. He admitted to participating in the fraud scheme alongside another company executive and two Trump Organization corporate entities that also face criminal charges.

State Supreme Court Justice Juan Merchan asked Mr. Weisselberg if he had willfully avoided paying taxes on \$1.76 million in income, evading hundreds of thousands of dollars in taxes. "Yes, your honor," Mr. Weisselberg told the judge.

Under the terms of his plea agreement, Mr. Weisselberg will testify if called as a witness at the Trump Organization's trial, which is scheduled for October. He will be sentenced after that trial, and, if he complies with his obligation to testify truthfully, the judge said he would sentence Mr. Weisselberg to five months in jail followed by five years probation. He is required to pay nearly \$2 million in tax repayments and

financial penalties.

Assistant District Attorney Joshua Steinglass said that if Mr. Weisselberg didn't comply, prosecutors would recommend a significant state prison term. Mr. Weisselberg isn't expected to cooperate in prosecutors' broader investigation.

Under the agreement, Mr. Weisselberg must testify truthfully at the trial about the facts underlying the crimes to which he pleaded guilty. The statements he admitted to in court named Trump Organization senior finance official Jeffrey McConney, but not the former president or his children.

Mr. McConney testified before the grand jury and received immunity for what he said during that testimony.

The guilty plea resolves the pending criminal charges against Mr. Weisselberg, who was indicted last year on state tax-fraud crimes alongside the Trump Organization. Prosecutors accused Mr. Weisselberg and the company of a more than 15-year scheme to defraud tax authorities through off-the-books compensation. They said Mr. Weisselberg illegally avoided paying taxes on \$1.76 million of indirect compensation, including leased cars, a Manhattan apartment and private-school tuition for his grandchildren.

The Trump Organization has pleaded not guilty, and its law-



Allen Weisselberg, the Trump Organization's former CFO, agreed to testify if called as a witness at the organization's trial set for October.

yers have said the charges were politically motivated. Mr. Trump wasn't charged. A spokeswoman for the Trump Organization said the two Trump entities wouldn't take a plea since they hadn't done anything wrong. "We now look forward to having our day in court, which, quite interestingly, has been scheduled for Oct. 24—just days before the midterm elections," the spokeswoman added.

Manhattan District Attorney Alvin Bragg said that Mr. Weisselberg would spend time behind bars due to the plea. "This plea agreement directly implicates the Trump Organization in a wide range of criminal ac-

tivity and requires Weisselberg to provide invaluable testimony in the upcoming trial against the corporation," Mr. Bragg, a Democrat, said.

Nicholas Gravante Jr., a lawyer for Mr. Weisselberg, called the plea one of the most difficult decisions of his client's life.

"Mr. Weisselberg decided to enter a plea of guilty today to put an end to this case and the years-long legal and personal nightmares it has caused for him and his family," Mr. Gravante said.

Mr. Weisselberg, 75 years old, has worked for the Trump family for about 50 years. Before becoming chief financial

officer, he served as an accountant and comptroller. He remains at the Trump Organization, although no longer serves as finance chief.

His life has revolved around the company, former employees said. One of his sons, Barry Weisselberg, also works for the Trump Organization, and previously managed its ice rink in Central Park. His other son, Jack Weisselberg, works at Ladder Capital Corp., a New York City-based real-estate investment trust that has lent the Trump Organization more than \$280 million.

His former daughter-in-law, Jennifer Weisselberg, who is di-

vorced from Barry Weisselberg, served as a key witness for prosecutors in the tax-fraud case.

The charges against Mr. Weisselberg and the Trump Organization were an offshoot of a larger criminal probe into whether Mr. Trump and his company misrepresented the values of assets to banks, insurers and tax authorities. Before charging Mr. Weisselberg, prosecutors pressured him to cooperate against Mr. Trump, including by threatening to charge his son Barry, Mr. Weisselberg's lawyers wrote in court papers. Mr. Weisselberg rejected their offers, and prosecutors didn't charge Barry.

Judge to Unseal Parts of Trump Search Affidavit

By DEBORAH ACOSTA AND SADIE GURMAN

WEST PALM BEACH, Fla.—A federal judge said Thursday that he would make public at least part of an affidavit detailing the evidence that led the FBI to search Donald Trump's Mar-a-Lago home last week, after a Justice Department official said a full release would jeopardize the investigation into the former president's handling of classified information.

"I'm not prepared to find that the affidavit should be fully sealed," said U.S. Magistrate Judge Bruce Reinhart, giving the Justice Department a week to suggest which portions should remain secret.

After reviewing the affidavit carefully "many times," the judge said that in his view, "there are portions of this affidavit that can be unsealed."

It could be some time before the public sees any of the document, as Judge Reinhart said he would assess the proposed redactions before unsealing it. If he disapproves of

the government's redactions, he will create his own redacted version and keep it under seal until the government has the opportunity to appeal.

Several advocacy groups and news-media outlets, including The Wall Street Journal, petitioned the court to make the document public. Mr. Trump and his allies, including some in Congress, have also called for it to be made public.

"This is going to be a considered, careful process, where everybody's rights, the government's and the media's, will be protected," Judge Reinhart said.

The document would provide details about how the FBI established probable cause for its search, which led to the removal from the premises of more than two dozen boxes, including 11 sets of classified documents, some marked top secret.

It would also lay out what evidence the government had collected, including that provided by any witnesses, and describe why investigators believe a crime may have been committed.

"All the information that the court relied upon is in the written affidavit," said Judge Reinhart, who signed the warrant earlier this month and last week made public that warrant and the inventory of items the FBI took from Mar-a-Lago.

During the hourlong hearing, Jay Bratt, chief of the Justice Department's counterin-

The DOJ has a week to propose which portions should remain secret.

telligence and export-control section, said the affidavit is "very detailed and reasonably lengthy" and that the matter's "national-security overtones" outweigh the public's interest in having the document made public. He said going through the exercise of redacting the document would pose a burden on the government.

"It's up to the public to decide what information is important," said Charles Tobin, who represented many of the news outlets. He argued that much information has already been reported and that there was substantial public interest in the FBI's unprecedented action.

"We oppose blanket restrictions particularly under the argument that it would be cumbersome to the government," lawyer Nellie King, representing the Florida Center for Government Accountability, said during the hearing.

The Aug. 8 search of Mr. Trump's Florida home set off a furious political response, with the former president's supporters and Republican lawmakers accusing the Justice Department of overreach.

In a posting on his social-media platform Tuesday, Mr. Trump called for the release of the unredacted affidavit, referred to the search as a break-in and called for the recusal of the judge in the matter. Earlier this year, without citing a reason, Judge Rein-

hart withdrew from a racketeering lawsuit Mr. Trump filed against the Democratic National Committee, Hillary Clinton and others over their claims that his campaign had colluded with Russia.

On Thursday, Trump spokesman Taylor Budowich said on Twitter, "No redactions should be necessary and the whole affidavit should be released."

Justice Department officials have defended the Mar-a-Lago search as a necessary step that Attorney General Merrick Garland approved after weeks of deliberation.

FBI agents took boxes of items, binders of photos, a handwritten note and the executive grant of clemency for Mr. Trump's ally Roger Stone, a list of items removed from the property showed. They also took information about the president of France, according to the three-page list. The list is contained in a seven-page document that includes the warrant to search the premises, signed by Judge Reinhart.

E. coli Outbreak Sickens At Least 29

By ALYSSA LUKPAT

The Centers for Disease Control and Prevention said a fast-moving E. coli outbreak has sickened at least 29 people in Ohio and Michigan.

The CDC said it hasn't identified which food was the source of the outbreak but testing showed people likely got sick from the same food.

As of Tuesday, 15 people in Michigan and 14 people in Ohio had been infected, the agency said. Nine people were hospitalized but no deaths had been reported.

The sick people ranged in age from 6 to 91 years old, with a median age of 21 years old, the CDC said.

The number of sick people was likely higher than 29, the CDC said, as some people recover without medical care or testing. The agency said the outbreak may not be limited to Ohio and Michigan.

The people who had been reported sick started showing symptoms from July 26 to Aug. 6, the CDC said. Symptoms—including vomiting, diarrhea and severe stomach cramps—usually start three to four days after someone swallows E. coli.

Most people recover without treatment within a week, while others may develop kidney failure and need to be hospitalized, the agency said.

Michigan's Department of Health and Human Services said Tuesday that it had received 98 reports of E. coli infections this month, compared with 20 reports in the same period last year. The department said that the cases, some of which have been linked, were being investigated in three counties: Kent, Oakland and Ottawa.

Dr. Natasha Bagdasarian, the state's chief medical executive, said that reports of E. coli illness typically increase during the summer months. Still, she said "this significant jump in cases is alarming."

The Ohio Department of Health didn't return a request for comment Thursday.

The CDC advises people to wash their hands and cook their food to a temperature that can kill germs, among other food-safety measures.

In April, a New Jersey company recalled more than 60 tons of ground beef that may have been contaminated with E. coli.

Prosecutors Detail Charges for Accused Rushdie Attacker

By JIMMY VIELKIND

MAYVILLE, N.Y.—The man accused of trying to kill Salman Rushdie was motivated by strong feelings that the acclaimed novelist had disrespected Islam, prosecutors said during a Thursday hearing detailing charges.

Hadi Matar, 24 years old, was charged with attempted murder and assault in connection with last week's attack on Mr. Rushdie before a lecture at the Chautauqua Institution, about 70 miles southwest of Buffalo. Prosecutors said Mr. Matar stabbed Mr. Rushdie multiple times in the neck and abdomen before Mr. Matar was apprehended at the scene.

Chautauqua County District Attorney Jason Schmidt said Mr. Matar indicated disrespect for Mr. Rushdie during an interview this week with the New York Post. Mr. Rushdie spent years under police protection after Iranian leaders called for his execution over his 1988 novel, "The Satanic Verses." The book caused an uproar among some Muslims, who called it blasphemous.

"The brazenness of Mr. Matar's attack on Mr. Rushdie needs to be considered," Mr. Schmidt said. "He doesn't care about his own personal freedom, and is so driven by his motive to kill Mr. Rushdie that it is greater in his mind, and



Hadi Matar, charged with attempted murder and assault, was in court Thursday in Mayville, N.Y.

outweighs his own personal freedom."

Mr. Matar's lawyer, Nathaniel Barone, entered a plea of not guilty to all counts and said there was no evidence Mr. Matar had plans to leave the country. Chautauqua County Court Judge David Foley ordered Mr. Matar remanded to the Chautauqua County Jail without bail. Mr. Matar stood with his head lowered, barely speaking during the 40-minute proceeding.

The indictment, which was handed up by a grand jury,

moves the case against Mr. Matar from town to county court.

Mr. Schmidt's words were the most concrete statements about what allegedly motivated Mr. Matar, who lived most recently in New Jersey and is the son of Lebanese immigrants. Prosecutors are still wading through evidence to solidify a motive, Mr. Schmidt said, and it is possible that Mr. Matar could be reindicted on hate-crime charges.

The Iranian government denied involvement in the attack

on Monday, saying Mr. Rushdie was to blame for the stabbing. In 1989, Ayatollah Ruhollah Khomeini, the leader of Iran's 1979 revolution, issued a fatwa, or religious edict, that called on Muslims to kill Mr. Rushdie. A private Iranian foundation offered a multimillion-dollar bounty to anyone who killed Mr. Rushdie.

Mr. Matar expressed respect and admiration for the former ayatollah, Mr. Schmidt said, citing the defendant's statements to the New York Post. The prosecutor success-

fully argued that the bounty would make any amount of monetary bail meaningless.

In 1998, Iran's reformist President Mohammad Khatami appeared to lift the vendetta against Mr. Rushdie, telling reporters at a meeting of the United Nations in New York that the threat against the author was "completely over" after he had lived in hiding under an assumed name for nine years.

But Mr. Khomeini's successor as Supreme Leader, Ayatollah Ali Khamenei, said in 2005 that the fatwa was still valid. Mr. Khamenei remains in power. The attack on Mr. Rushdie occurred less than a week after a story about him appeared on the Iranian government's official news website, calling the fatwa "an unforgettable verdict for Muslims in the world."

Mr. Rushdie was taken by helicopter after the stabbing to a hospital in Erie, Pa. On Sunday, the author's son said in a statement that he remained in critical condition but had been taken off a ventilator and was able to say a few words.

Mr. Rushdie was speaking and improving, Mr. Schmidt said. Mr. Rushdie's agent, Andrew Wylie, didn't immediately return an email seeking an update on Mr. Rushdie's condition.

U.S. NEWS

Iowa Sizes Up Trump GOP Rivals

Maryland Gov. Hogan is latest presidential hopeful to test state's appetite for alternative

By JOHN McCORMICK

DES MOINES, Iowa—A visit by Maryland Gov. Larry Hogan to the state expected to host the first 2024 Republican presidential nominating contest showcased the challenges ahead for prospective candidates not aligned with former President Donald Trump.

Almost no one seemed to recognize Mr. Hogan as he walked through the Iowa State Fair last week surrounded by three Maryland state troopers and his own camera crew. During a stop at a suburban Des Moines country club, in front of a local conservative group better known for its chamber of commerce ties than for fealty to Mr. Trump, Mr. Hogan received a friendly reception from the roughly 50 people gathered.

"Successful politics is about addition and multiplication," the 66-year-old governor said, addressing how the GOP lost the White House, Senate and House during Mr. Trump's tenure in office. "It's not about subtraction and division."

Mr. Hogan, Ms. Cheney and former New Jersey Gov. Chris Christie are some of the possible 2024 GOP candidates who could enter the race as Trump antagonists.

Ms. Cheney, who serves as vice chairwoman of the congressional committee investigating the ex-president's role in the attack on the Capitol on Jan. 6, 2021, hasn't ruled out a presidential run as a Republican or an independent.

Mr. Trump has suggested that he might again seek the party's nomination and made his first post-presidency visit to Iowa late last year. While his potential candidacy creates a challenging environment for other prospective Republicans, it could be extra perilous for those who have been critical of a man who remains central to the party's identity.

Mr. Christie, a 2016 GOP presidential candidate who was in Iowa last week to help raise money for Republican Sen. Chuck Grassley, told Radio Iowa that he won't make a decision about a 2024 bid until early next year. "Definitely thinking about it," he said, adding that Mr. Trump's status as the nomination front-runner could quickly change.

Many Iowa Republicans continued to back the former president following the unprecedented search at Mar-a-Lago by the Federal Bureau of



Maryland Gov. Larry Hogan and Iowa Gov. Kim Reynolds flipped pork burgers at the Iowa State Fair in Des Moines last week.

Tom Cotton of Arkansas have made visits to Iowa since 2020.

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Endorsements in Midterm Questioned

Maryland Republican Gov. Larry Hogan said former President Donald Trump has put the GOP in a vulnerable position in the midterm elections by endorsing candidates in primaries that the governor views as "the least electable" in November.

Mr. Trump has often backed candidates aligned with his false claims of widespread

fraud in the 2020 presidential election. Some establishment Republicans argue that such candidates will struggle to win independent voters in November not interested in revisiting the 2020 vote.

"We had a chance to pick up governor's seats, and we had a chance to pick up the Senate, but Trump is making that very, very difficult," Mr. Hogan said.

"One or two of them might win, but a bunch of them are going to lose," he said.

Investigation. "I look forward to seeing President Trump in Iowa," said state Rep. Mike Bousset, a Republican. "I think he will be very successful here, but we welcome others."

During a brief interview at the state fair, Republican Sen. Joni Ernst said it isn't a foregone conclusion that Mr. Trump will win Iowa's GOP caucuses. Republican Gov. Kim Reynolds pointed to the numerous visits to the state already made by other potential candidates. "I don't think they would be here if they didn't feel that they had an opportunity," she said during a brief state fair interview.

Carmine Boal, a former state representative who helped start the Northside Conservatives club, where Mr. Hogan spoke, said some GOP caucus attendees will be open to candidates critical of Mr.

Trump. "We have some only-Trumpers, but we also have some never-Trumpers, so I think there is a lane there," she said.

If there is a lane for anti-Trump Republicans, some in Iowa see it as being pretty narrow. A crowded primary field, such as the one that helped Mr. Trump secure the 2016 nomination, could help him win again by dividing the non-Trump vote between numerous candidates.

"A field that size again would undoubtedly benefit him," said David Oman, a former GOP party co-chairman in Iowa who served as state co-chairman for Mitt Romney's 2011-12 campaign.

In 2016, Mr. Trump finished second in Iowa's GOP caucuses, 3.3 percentage points behind Texas Sen. Ted Cruz in a field that included a dozen

candidates. It isn't unusual to win the state's caucuses with less than 30% in a crowded field, as Mr. Cruz did in 2016.

Mr. Hogan, who will leave office in January because of term limits, said in an interview he wouldn't be dissuaded from running if Mr. Trump did so and mentioned the competition the former president might face from Republican Florida Gov. Ron DeSantis. "Trump and DeSantis and 10 other people could be fishing for that same pond of folks, and somebody like me might pick up the other 35% of the vote," he said.

During his swing through Iowa, Mr. Hogan stressed his record of being the first Republican in his state to win a second term in the governor's mansion in more than 60 years. He also sought to bolster his conservative credentials with frequent mentions of his support of law enforcement.

In the interview, Mr. Hogan said the GOP needs to move away from Mr. Trump if the party wants to win more state and federal elections.

"We need to get away from just relitigating 2020 and talking about stolen elections and stop catering to the extremes of our party and stop talking about conspiracy theories and focus on issues people care about," he said.

Trump spokesman Taylor Budowich didn't respond to an email seeking comment.

U.S. Plans to Stop Paying For Covid-19 Shots, Drugs

By STEPHANIE ARMOUR

The Biden administration is planning for an end to its practice of paying for Covid-19 shots and treatments, shifting more control of pricing and coverage to the healthcare industry in ways that could generate sales for companies—and costs for consumers—for years to come.

The Department of Health and Human Services intends to hold a planning session on Aug. 30 that would bring together representatives from drugmakers, pharmacies and state health departments with a stake in a Covid-19 treatment industry.

Both the Trump and Biden administrations always planned to shift the bill for Covid-19 shots and treatments from the federal government to individuals eventually. With Covid-19 cases dropping, more activities resuming and funding for the pandemic response running short, officials are now working to map out that transition.

Shifting payments for Covid-19 drugs and vaccines to the commercial market is expected to take months, an HHS spokesman said. At the meeting this month, officials and company representatives are expected to discuss reimbursement and coverage, regulatory issues and access to vaccines and treatment for the uninsured.

"We've known at some point we'd need to move over into the commercial market, and we're approaching that time now," said Dawn O'Connell, assistant secretary at HHS for prepared-

The move could spur sales for healthcare companies and costs for consumers.

ness and response. "We don't want to do it by fiat."

The change presents challenges including how to make shots and treatments available to the roughly 30 million people without insurance coverage. The federal government has been purchasing Covid-19 vaccines and treatments and making them available at no cost during the pandemic.

"There are issues of reimbursement, equitable access to vaccines and treatment, and distribution that need to be resolved," said Anne McDonald Pritchett, senior vice president at Pharmaceutical Research and Manufacturers of America, or PhRMA, an industry trade group.

The change also portends billions of dollars in potential profits for pharmaceutical companies such as Moderna Inc. and Pfizer Inc. as well as its partner BioNTech SE. Pfizer reported \$8.1 billion in global sales during the second quarter for its Covid-19 treatment, Paxlovid.

As of February, companies including Pfizer and Moderna had reported at least \$79 billion in combined global sales of Covid-19 vaccines and treatments for 2021, according to a Wall Street Journal review of earnings reports.

The administration had requested as much as \$30 billion from Congress for antivirals, testing and shots against future variants, among other measures. Republicans said no new money should be allocated until existing Covid-19 relief funding was spent.

As of mid-February, no money was left in HHS's public-health and social-services emergency fund for healthcare providers. The administration in August stopped supplying monoclonal antibody treatments. Eli Lilly & Co. has shifted to commercial sales of its Covid-19 monoclonal antibody treatment to states, hospitals and other healthcare providers. The administration has already signed purchase agreements for updated vaccine doses for the fall.

Switching vaccine purchasing to the commercial market would mean that each insurer and pharmacy benefit manager would be negotiating with drug manufacturers and prices would likely be higher than what the federal government has paid, said Larry Levitt, executive vice president for health policy at the Kaiser Family Foundation.

Big Ten Makes Big TV Deal

Continued from Page One plans take effect. The conferences' growing size and star power—with most of the most-watched football teams among them—are further separating them from their competitors.

The Atlantic Coast Conference's media revenue from ESPN and ACC Network was \$397 million in 2020-21, according to federal tax records. The Pac-12 and Big 12 Conferences are even further behind and their current contracts don't expire until 2024 and 2025, respectively.

The Big Ten deal comes two years after Kevin Warren, a longtime former executive with the Minnesota Vikings, took over as commissioner, and it reflects a more NFL-like approach by spreading Big Ten football and basketball games among several media partners instead of one or two: three major networks and NBC's streaming platform, Peacock, plus the Big Ten Network. It is a contrast to the SEC's new deal, which will put all of its premium football games on Disney-owned properties and relies heavily on cable through ESPN's channels.

"I believe in the power of our network television partners, but it has a nice balance of direct to consumer delivery of inventory in the deal," Mr. Warren said in an interview. "There's even a higher degree of cross marketing. When you look at the other properties that Fox, CBS [and] NBC have, those are all the biggest events."



Marquee rivalries, like Michigan vs. Ohio State, helped drive the Big Ten's TV windfall.

This new deal marks a fresh chapter in the longstanding relationship between the Fox Corp.'s Fox Sports and the Big Ten, one that began in 2007 when the Big Ten Network became the first conference-specific television platform in a joint partnership with Fox.

In addition to upping its 51% stake in the Big Ten Network to 61% in 2021, Fox was heavily involved in the bidding process as the conference looked to make a new deal, going so far as to have network representatives in the room listening to pitches from rivals alongside Mr. Warren.

Fox once again will broadcast premium games during the noon window. The network averaged 5.7 million viewers across 14 games in 2021, 10 of which included Big Ten teams. Including the midday slot, Fox and FS1 will air between 24 and 27 Big Ten games in 2023 and

increase their allotment to up to 32 conference games in 2024.

"We are proud to expand upon our longstanding partnership with the Big Ten Conference and further bolster our position as the premier rights holder of the conference," said FOX Sports chief executive officer and executive producer, Eric Shanks.

Fox Sports' owner Fox Corp. and The Wall Street Journal parent company News Corp share common ownership.

Under the new deal, the Big Ten's package of football games will stretch from midday to nearly midnight on Saturdays. Beginning in 2023, Fox will air the top game of the week at noon Eastern time, followed by a CBS game at 3:30 p.m. ET. NBC will carry the nightcap in prime time and plans to style the broadcast, dubbed "Big Ten Saturday Night," after its wildly popular Sunday Night

Football telecast for the NFL.

ESPN isn't part of the Big Ten's new contract, ending a more than 40-year partnership. ESPN declined to comment. The network controls the rights to the College Football Playoff through 2026, meaning that Big Ten teams could still appear on ESPN if they make the field.

Paramount Global's CBS has a longstanding deal to broadcast premium SEC football games that expires after the 2023 season. CBS will carry seven Big Ten football games in the first year of the Big Ten contract for a discounted rate and then pay \$350 million a year to air up to 15 games a year, including a matchup on Black Friday, for the remaining six years, according to people familiar. CBS will also air men's and women's basketball, continuing to show the men's Big Ten Tournament semifinals and final and adding

the women's Big Ten Tournament final for the first time. All games will be simultaneously streamed on Paramount+.

Likewise, Comcast Corp.'s NBC will pay \$350 million a year for the rights to air between 14 and 16 Big Ten football games each season as well as a raft of basketball and Olympic sports programming. Eight football games per season will air exclusively on Peacock, NBC's direct-to-consumer streaming service.

The Big Ten football championship game will rotate among partner networks, much as the Super Bowl does in the NFL. Fox will air the game in 2023, 2025, 2027 and 2029. CBS will carry it in 2024 and 2028. NBC will air it in 2026.

Mr. Warren previously said that deal was close to finalized early in the summer, but negotiations went back into high gear once UCLA and USC announced they would leave the Pac-12 for the Big Ten. Adding the California schools gave the league direct ties to the three largest media markets in the United States—New York, Los Angeles and Chicago.

Big Ten member schools won't immediately see a substantial increase in their payouts from the conference due to the sloping nature of the new deal. A person familiar with the contract said that initial payouts to schools in 2023 won't differ substantially from the amount distributed to longtime members in 2021, which federal tax records showed to be between \$43.1 million to \$49.1 million according to federal tax records. Disbursements will increase in 2024 when Big Ten membership expands to 16 schools and accelerate dramatically thereafter.

—Rachel Bachman contributed to this article.

U.S. NEWS

Biden Plan Offers Relief to Students In Default on Loans

By ISABELLE SARRAF

More than 7.5 million people who defaulted on their federal student loans would be able to regain their eligibility for financial aid under guidelines released by the Biden administration.

The “Fresh Start” initiative aims to allow borrowers who defaulted on federal student loans before the administration put a pause on payments during the pandemic to receive aid such as Pell Grants and federal work-study, and relieve the impact on their credit history.

Students who borrow federal loans go into default when they miss at least 270 days of their loan payments. Millions of borrowers haven’t had to make monthly payments on their student debt since March 2020 under the current freeze. The moratorium is set to expire at the end of the month should President Biden take no action to extend it.

Under the new initiative, eligible defaulted borrowers have until one year after the pandemic repayment pause ends to arrange payment before defaulting or facing other collection efforts. During that year, borrowers in default wouldn’t have their wages, tax refund or Social Security checks withheld. Republicans on the House

Education and Labor Committee criticized the Fresh Start program, saying the plan grants defaulted borrowers the chance to take out more loans without the assurance that they can foot the bill.

“Under this scheme credit reports will no longer accurately reflect credit history, but giving a pass for irresponsibility is apparently this administration’s way of doing things,” Rep. Virginia Foxx (R., N.C.) said in a press release.

Sen. Patty Murray (D., Wash.), who chairs the Senate Health, Education, Labor and Pensions Committee, said, “Struggling borrowers deserve to be able to get back on their feet—and that’s exactly what this plan will help do.”

Borrowers who qualify for the program can make payment arrangements through the Education Department’s student aid office, contacting their loan holder or calling the Default Resolution Group. When arrangements are made, borrowers will be transferred to a non-default loan servicer, and the agency removes default status from their credit reports.

Once the Fresh Start program expires, eligible borrowers who didn’t apply for it nor pay off their loans will be subject to default collections and lose eligibility for federal student aid.



More than 7.5 million people could be eligible for some aid.

BRIAN SHVIDER/REUTERS

U.S. WATCH



NIC COURRY/ASSOCIATED PRESS

FATAL CRASH: Two small planes collided while trying to land at the Watsonville Municipal Airport in Northern California on Thursday, killing at least two of the three occupants, officials said. Two people were aboard one of the Cessnas, and only the pilot on the other.

ECONOMY

Jobless Claims Decrease Slightly

New applications for unemployment benefits inched down last week, a sign the labor market is holding up as the broader economy shows signs of slowing.

Initial jobless claims, a proxy for layoffs, declined slightly to a seasonally adjusted 250,000 last week from a downwardly revised 252,000 the week before, the Labor Department said Thursday. Claims totals have hovered around this level since hitting a high for the year in mid-July, and are above the 2019 prepandemic weekly average of 218,000.

Sarah House, senior economist at Wells Fargo, said the labor market is strong but is showing signs of softening.

“We are starting to see demand for labor weaken,” Ms. House said.

—Rina Torchinsky

CONTINENTAL U.S.

Northern Lights Might Be Visible This Week

People in some parts of the continental U.S. will be able to see the northern lights this week due to a geomagnetic storm.

The National Oceanic and Atmospheric Administration said a geomagnetic storm watch is in effect until Friday.

The conditions may push the phenomenon known as the aurora borealis farther south, past its usual boundary of Canada and Alaska in the Northern Hemisphere, and deeper into the Great Lakes region, the Northeast and the Pacific Northwest, said NOAA, a government agency.

If visible, this week’s aurora borealis should look like a glow on the horizon in the continental U.S. But an overcast sky, light pollution or a bright moon could diminish visibility.

—Lauryn Azu

WEST VIRGINIA

Trio Charged in Killing Of Crime Boss Bulger

Three men, including a Mafia hit man, were charged in the killing of Boston crime boss James “Whitey” Bulger in a West Virginia prison, the Justice Department said.

The charges against Fotios “Freddy” Geas, Paul J. DeCologero and Sean McKinnon come nearly four years after Mr. Bulger’s killing, which raised questions about why the known “snitch” was placed in the general population instead of more protective housing. The men were charged with conspiracy to commit first-degree murder.

Mr. Bulger was beaten to death at USP Hazelton in October 2018 hours after he was transferred from a Florida prison, where he was serving a life sentence for 11 murders and other crimes. Prosecutors allege Messrs. Geas and DeCologero struck Mr. Bulger in the head multiple times.

—Associated Press

KENTUCKY

Court Lets Near-Total Abortion Ban Stand

Kentucky’s Supreme Court ruled Thursday that the state’s near-total abortion ban will remain in place while it reviews arguments by abortion clinics challenging two state laws.

It was the latest legal setback for the two remaining abortion clinics in Kentucky—both in Louisville. Justices denied a request by the abortion clinics to reimpose an injunction that temporarily prevented the state’s near-total abortion ban from taking effect.

In doing so, the Supreme Court ruled that the circumstances presented by the clinics and their attorneys in their motion “do not rise to the level of extraordinary cause.” The high court agreed to take the case and set a schedule for the submission of briefs and for arguments before the justices. A hearing was set for Nov. 15.

—Associated Press

Cohen Sells Stake in Bed Bath

Continued from Page One

Mr. Cohen netted a profit of about \$60 million on his sale of the stock based on an analysis of regulatory filings. He declined to comment.

His winnings suggest that the meme-stock mania that grew from the depths of the Covid-19 pandemic endures 18 months after it began.

And this time, rookie investors gambling with small amounts of money aren’t the only ones trading troubled companies.

Mr. Cohen’s wins illustrate the ability for bigger investors to tap into individual investors’ voracious appetite for momentum trading—and net themselves big gains along the way.

Mr. Cohen’s sale adds uncertainty to the financially troubled company. Bed Bath & Beyond is losing customers, running low on cash and operating without a permanent chief executive.

The financial woes facing the retailer seemed to not faze individual investors. Their purchases of Bed Bath & Beyond on a net basis hit the highest amount on record on Tuesday, according to Vanda Research data starting in 2014, just two days before the company’s shares started falling.

On Thursday, they were the most popular buy for individual investors on the Fidelity brokerage platform.

And for a moment, it appeared as if Bed Bath & Beyond could be headed for a massive short squeeze, a phenomenon that occurs when a stock rises so much that investors who bet against it are forced to buy back shares, driving the stock even higher.

Short sellers, or investors who bet against the stock, had begun to exit their bearish bets within the past week as the stock blew past \$10 a share and beyond, according to Ihor Dusaniwsky, head of predictive analytics at S3 Partners, a technology and data analytics firm.

New investors, meanwhile, were still clamoring to add bearish bets as the stock continued to rise.

Short interest in Bed Bath & Beyond rose as high as 55% of the stock’s free float on Tuesday, according to S3 Partners. Meanwhile, the average cost to short Bed Bath & Beyond shares, known as a borrow fee, rose to 80%, a 2022 high.

By Thursday, any possibility of a short squeeze appeared to begin to unravel as the stock declined, leading some individual investors to unload their own shares.

Jake Freeman, a University of Southern California student,

Bed Bath & Beyond is losing customers and running low on cash.

also became a viral sensation after the Financial Times reported that he had made more than \$100 million on his investment in the stock within weeks.

Mr. Freeman appeared to become involved in Bed Bath & Beyond more recently. He sent a letter to Bed Bath & Beyond’s board on July 21, stating that his firm, Freeman Capital Management LLC, had taken around a 6% stake in the company. The letter detailed a

litany of steps that needed to be taken to fix its troubled finances.

Days later, a Reddit account was launched that claimed to be the official account for Mr. Freeman and his firm and shared its views on Bed Bath & Beyond.

In an interview on Thursday, Mr. Freeman said he posted on Reddit to start a dialogue about how Bed Bath & Beyond could improve its finances. He said he had underestimated retail investors’ influence on the market.

In online retail-trading communities, some traders reacted with anger to the news of Mr. Cohen’s sale.

“The casino’s over,” said 34-year-old individual investor Richard Hoefler, who dumped his shares of Bed Bath & Beyond after hearing the news that Mr. Cohen unloaded his shares.

In early August, Mr. Hoefler, an engineer from Louisiana, plowed more than \$13,000 into shares of Bed Bath & Beyond, using the money from a fund for his wedding next year. He started to buy after watching chatter explode on Reddit’s WallStreetBets and was encouraged by the large stake Mr. Cohen took in Bed Bath & Beyond unveiled this year.

Mr. Hoefler walked away with a roughly \$3,000 profit. “I’m OK with him selling,” he said, “but I was expecting a longer ride.”



Billionaire investor Ryan Cohen netted a profit of about \$60 million on the sale, based on an analysis of filings.

MARK ABRAMSON FOR THE WALL STREET JOURNAL

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WORLD NEWS

Kyiv Urges Action on 'Nuclear Blackmail'

In a meeting, Zelensky presses U.N. chief to help ease situation at Russian-occupied plant

ODESSA, Ukraine—Ukrainian President Volodymyr Zelensky met with the leaders of Turkey and the United Nations to discuss food shipments from Ukraine and the increasingly

By Ian Lovett,
Jared Malsin
and Evan Gershkovich

tense situation at the Zaporizhzhia nuclear plant, as a series of blasts targeted Russian logistical hubs deep behind the front lines.

Following Thursday's meetings in Lviv, Mr. Zelensky said he pressed U.N. Secretary-General António Guterres about the nuclear plant, which Russia has occupied since the early days of the war. Explosions around the facility have knocked one reactor off the power grid and sparked fears of a nuclear catastrophe.

"Particular attention was paid to the topic of Russia's nuclear blackmail at the Zaporizhzhia NPP," Mr. Zelensky wrote on social media. He said they also discussed allegations that Ukrainian citizens are being forcibly deported to Russia, and



U.N. Secretary-General Guterres, left, Turkish President Erdogan, center, and Ukraine's President Zelensky met Thursday in Ukraine.

the treatment of captured Ukrainian soldiers. Mr. Guterres called for the plant to be demilitarized. Russia has said removing its forces would threaten the facility's security.

After meeting with Turkish President Recep Tayyip Erdogan, Mr. Zelensky said they discussed ways to protect Ukrainian grain that is being exported, and other security issues. Ankara helped broker

with the U.N. a deal to lift a Russian naval blockade on Ukrainian exports.

Turkish and Ukrainian officials also signed a memorandum of understanding calling for Turkey to participate in Ukraine's postwar reconstruction.

Meanwhile, a series of explosions Thursday rocked a Russian border region and Russian-held territory in Ukraine, deep behind Russian lines.

The Ukrainian military's Southern Command said it hit an ammunition depot in the village of Bilohirka, near the front line of fighting in the Kherson region. The rocket strike is the latest in a series of attacks that have targeted logistics in the Russian-occupied south—part of a strategy to starve Russian troops of supplies and force them to withdraw from the territory they are holding west of

the Dnipro River.

Thursday evening, an ammunition depot in Russia's southern Belgorod region bordering Ukraine ignited in flames, Vyacheslav Gladkov, the region's governor, wrote on social media. He said there were no casualties. There was no information about the cause of the fire.

Around the same time, videos on social media showed billowing clouds of smoke and

fire in the city of Kadiivka in the eastern Luhansk region, which Russian forces captured in early July. Russian-installed authorities in Luhansk said that Ukrainian forces had struck the city with U.S. Himars mobile rocket launchers.

Air-defense systems also were activated in the city of Kerch late Thursday, Oleg Kryuchkov, the adviser to the Russian-appointed head of Crimea, which Russia seized in 2014, wrote on Telegram.

Residents in the Crimean city of Sevastopol, the headquarters of Russia's Black Sea Fleet, later reported explosions at the local military airfield. Sevastopol's governor, Mikhail Razvozhayev, wrote on Telegram that a drone was shot down near the airfield and denied that the airfield was attacked.

Ukrainian officials typically have stopped short of claiming responsibility for successful attacks behind Russian lines, but have hinted at involvement.

As Ukrainian strikes inside Russian-held territory increase, Russian forces are attempting to crack down on pro-Ukrainian insurgents. A Ukrainian army veteran was arrested in the Kherson region on suspicion of sending locations of Russian troops and bases to Ukrainian forces, Russian state-run news agencies reported Thursday.

Australia Weighs Limiting Its Exports of Natural Gas

By DAVID WINNING
AND RHIANNON HOYLE

SYDNEY—Australia is shipping so much natural gas overseas that authorities could block some exports to plug shortages at home.

Such a move would put global energy supply under further strain as Europe faces the prospect of severe fuel shortages this winter and Asian economies including Japan and China store more gas ahead of seasonal peaks in demand. The Ukraine war cut

gas supplies at a time when much of Europe experienced a severe heat wave that drove demand higher.

Europe's energy crisis has elevated the importance of stability of energy supply from Australia, one of the world's largest exporters of natural gas following a multibillion-dollar investment spree that took place around a decade ago. Australia accounted for a fifth of global liquefied-natural-gas exports last year and while most of its supply is committed to buyers in Asia,

companies can choose to sell a portion of their output into the open market when prices are high.

However, business leaders and regulators warn Australia is facing a gas shortage of its own, which could feed inflation and restrain its economic recovery from the Covid-19 pandemic. Longstanding energy problems in the country's east, such as output falling from aging gas fields, have intersected with recent setbacks including flooding in coal-mining regions that led Australian

power plants to use significantly more gas instead. As a result, wholesale energy prices in the country's biggest electricity market tripled in the three months through June.

Gas producers have sought

to capitalize on high energy prices by selling more LNG in one-off deals. LNG typically fetches a higher price than what domestic buyers are prepared to pay for their gas supply.

The Australia Pacific LNG project in eastern Queensland state, which counts ConocoPhillips and Origin Energy Ltd. as major shareholders, delivered five spot cargoes of LNG between April and June. That accounted for a third of all cargoes sold by the project on the spot market in the 12 months

through June, Origin said.

Companies exporting their uncommitted supply is alarming the Australian Competition and Consumer Commission, the country's consumer watchdog. This month, the commission urged the government to work with producers to immediately redirect LNG intended for export or risk a major gas shortfall next year. It said the expected deficit is equivalent to about 10% of domestic demand on the east coast and that manufacturers could close if action wasn't taken.

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Russian Withdrawal Brings More Shelling in the South

By IAN LOVETT

ORIKHIV, Ukraine—Standing in city hall, with flies buzzing in and out of the shattered windows and the roof partially covered by a tarp, Mayor Anatoliy Hovorostyanov calls the sound of U.S.-supplied Himars rocket systems "the voice of God."

Ukrainian troops here repelled the Russians from the edge of town after the long-range systems arrived on the southern front two months ago.

For residents, however, life grew even tougher.

"The shelling has become more chaotic," Mr. Hovorostyanov says. "And bloodier."

The situation in Orikhiv shows the challenge of trying to hold off—and push back—the invading Russians while protecting Ukrainian civilians.

Russian troops are about 5 miles outside the city—twice as far as two months ago.

With more space between the two sides, the Russians are using heavier weaponry, without risk of hitting their own troops. Instead of tank fire and other light artillery, they are pummeling the area with rockets, which do far more damage.

The same situation can be found across the southern front line, where Ukrainian officials have telegraphed a counteroffensive to retake territory that Russians seized in the first days of the war. Russians also are gearing up for a battle, and have sent thousands of troops to the region.

"The Russians have taken a step back, because they're afraid of the Himars," says a special operations commander stationed south of Kryviy Rih. "Mortars and light artillery are out of range now, and they're using more heavy artillery."

Before the war, some 19,500 people lived in Orikhiv and its six surrounding villages, working mostly in agriculture. Several dozen have been killed, and most have fled, leaving a population of around 3,500. Three of the villages have been occupied by the Russians. Mr. Hovorostyanov sent his own family to the regional



A resident moves a Russian rocket that fell in Orikhiv, Ukraine.

capital of Zaporizhzhia, about an hour away. Most of the residents who stayed can't afford to leave, he says.

Mr. Hovorostyanov starts his day with a drive around the city to assess the fresh damage. No building has been untouched, he says, including his own apartment. By 8 a.m., he is dispatching utility workers to fix electric and water lines, hoping to keep the city habitable.

A humanitarian aid center has become the main gathering point. Each morning, after the shelling subsides, locals crowd around an outpost of World Central Kitchen, a U.S.-based nonprofit providing meals, where they collect bags full of macaroni, oats and canned pork.

Lyudmyla Zhabankova, director of social services for the city, says everyone left in town comes to get food. About a month ago, as the shelling grew worse and tensions rose, soldiers with rifles were brought in to control the crowds.

"People started to become more aggressive," Ms. Zhabankova says. Her dacha, outside the city, was destroyed, and she has stopped replacing the windows in her house. "Everyone is more nervous now."

In recent weeks, most of the damage has been in the neighborhood in the south of the town, closest to the front line. The area has been without electricity for three months and often has no water.

Yuriy Romashka, 60 years old, says he is one of just 13

people still living in the locality. Only three people are living in his apartment building, which is surrounded by ditches from mortars. Next door, a larger apartment building took a direct hit and now stands empty. He says he bathes with water from river.

"It's worse now," he says. "More damage. More shells. And much louder."

Earlier this month, a report from Amnesty International criticized the Ukrainian military for setting up bases in populated areas, giving the Russians an excuse to target civilian areas. Ukrainian officials excoriated the report, saying it absolved Russia of responsibility for civilian casualties.

Joan Ivahnenko, who also remained in the district, says he often calls the mayor, asking the city to restore the electricity, but is told it is too dangerous to send work crews to the area.

In late April, he was trying to repair a window on his house when a piece of shrapnel hit him and broke his leg, putting him in the hospital for several months.

Mr. Ivahnenko, who now walks with a cane, says it is possible to survive here for now. But with no windows and no gas to heat the house, he doesn't know how long he—or other residents of Orikhiv—can last.

"It's summer now," Mr. Ivahnenko says. "How will we survive the winter?"

—Nikita Nikolaenko contributed to this article.

WORLD NEWS

Russians Flee To Georgia, Escaping Putin

By EVAN GERSHKOVICH

TBILISI, Georgia—Irina Soloveva left Russia two weeks after the invasion of Ukraine, when her boss in the Moscow city government questioned her Instagram posts calling for an end to the war.

Now, she is volunteering at a food bank for Ukrainian refugees, one of thousands of Russians who have resettled in Georgia, a former Soviet republic bordering Russia to the southeast of Ukraine that has emerged as one of the main centers for Russians fleeing President Vladimir Putin's regime.

Ms. Soloveva, 28 years old, blames herself and her compatriots for looking the other way as Mr. Putin tightened his grip on Russia, allowing him a free hand to launch the largest ground offensive in Europe since World War II.

Like hundreds of the Russians who have flocked to Georgia, she now spends much of her free time offering support to Ukrainians who have escaped the brutal fighting.

"All I want to do is help Ukraine," said Ms. Soloveva, who works at the food bank several days a week. "Maybe this will help me atone."

Georgia's government estimates that about 35,000 Russians have settled in the small Caucasus country of four million since the start of the Feb. 24 offensive. About 50,000 more have arrived from Ukraine and Belarus, whose leader Alexander Lukashenko, has made the country a staging post for Russia's war.

Georgia, which lost about 20% of its territory to Russian-backed separatists after facing its own Russian invasion in 2008, doesn't require a visa for citizens of any of the

three countries.

The Russians who have gone south are a mixed bag. Local Russian and Georgian activists surveying the arrivals say they generally are people in their 20s and 30s, broadly split between those who are strongly opposed to Mr. Putin's regime and others, like the many IT professionals, who might not hold strong political views but saw their career prospects diminishing in a Russia shut off from the West.

When the exodus of educated Russians began in March, the Kremlin welcomed the departures.

"Many people are showing themselves to be what we in Russia like to call traitors," said Kremlin spokesman Dmitry Peskov.

While some Georgians are skeptical of an enclave of Russians taking root in their country with swaths of its territory remaining under Russian occupation, the government has welcomed the émigrés, hoping to benefit from Russia's brain drain.

"They do not pose real threats to Georgia's security," said Nikoloz Samkharadze, chairman of parliament's foreign-affairs committee and a member of the ruling Georgian Dream Party. "These are people who contribute to Georgia's economy."

Russians are nonetheless greeted on every corner in Georgia's capital, Tbilisi, with graffiti shouting obscenities about their president and country. Some establishments have instituted quasi visa regimes. Dedaena Bar asks Russians to fill out a form stating they are against the war.

Still, Russians have settled in. According to Transparency International Georgia, Rus-



Irina Soloveva, with the long hair, who left Russia for Georgia at the start of the Ukraine invasion, participates in an antiwar protest.

JUSTYNA WIELNIKIEWICZ/ANAPS FOR THE WALL STREET JOURNAL

Kremlin Keeps Tabs on Activists

Some opposition-minded Russians worry that they aren't completely safe from the Kremlin even in Georgia.

Last month, Vsevolod Osipov told the Russian news website Meduza that before the war he was sent to Georgia jointly by the FSB intelligence agency and the Interior Ministry's Center for Combating Extremism, known as Center E, to keep tabs on Russian-opposition activists.

The 20-year-old said he was pressured by the FSB and Center E after they detained him in

the spring of 2021 for participating in antigovernment protests, and in October sent him to Georgia where opposition activists were seeking safety.

He showed a copy of his search warrant specifying that it was for his alleged antigovernment activities, but said he wasn't given copies of working agreements he signed with the FSB and Center E. The FSB and Center E didn't respond to requests to comment.

Nikoloz Samkharadze, chairman of parliament's foreign-affairs committee and a member of the ruling Georgian Dream Party, said he wasn't aware of Mr. Osipov's circumstances or other claims of Russian security

service presence. He said the issue is the prerogative of Georgia's State Security Service. The State Security Service didn't respond to requests to comment.

Mr. Osipov said he acted as a double agent, telling activists he had been recruited, and plotted a way to eventually quit his role. Anton Mikhalechuk of the Free Russia Foundation, which organizes antiwar rallies in Tbilisi, said Mr. Osipov confessed to him over the winter that he was tasked with informing on Free Russia's activities.

After the Feb. 24 Ukrainian invasion, Mr. Osipov said he changed his contacts and cut ties with his handlers. He now works as a sommelier.

groups say they are helping to fill the gaps in the government's response. Like Ms. Soloveva, some say they are making atonement for having acquiesced to Mr. Putin's authoritarian rule.

"It's soul-saving work," said a woman who after the invasion quit Russia Beyond, an English-language website promoting Russian culture to foreigners and owned by RT, the Kremlin-backed TV network.

"At the food bank people tell you about Mariupol, about everyone who died. You feel the tears coming down your face, and all you can say is, 'Here's some buckwheat,'" she said. "But at least you feel that your day wasn't for nothing."

Many more of the Russians in Georgia don't volunteer, but some say they believe that just by having left Russia they are doing more good than harm.

"The main thing I can do is to stop paying taxes in Russia," said Viktor Ramin, who was relocated by a global IT company.



I Am Not a Bracelet

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- I danced with nobles along the Aegean Sea
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WORLD NEWS

U.S., China Trade Climate Barbs

By SHA HUA

SINGAPORE—Climate policy is fast becoming a new bone of contention between Washington and Beijing, after China retaliated for this month's visit to Taiwan by House Speaker Nancy Pelosi by halting talks with the U.S. over how to combat global warming.

The self-ruled island is already a focal point for a number of issues clouding Sino-U.S. ties, from rivalry in the Indo-Pacific and the clash between democratic values and autocracy to the strategic struggle for semiconductor supremacy. But up until Mrs. Pelosi (D., Calif.) defied Beijing's warnings and made her trip, climate change had been a rare bright spot in the relationship between the world's two biggest greenhouse-gas emitters.

On Aug. 5, with Chinese warplanes and warships carrying out maneuvers off Taiwan's coast in the wake of Mrs. Pelosi's departure, Beijing said it would cancel or suspend cooperation with Washington on key issues including direct military talks, countering the narcotics trade and transnational crime.

Eighth and last on the list was halting climate talks, ending any hope that the struggle against global warming could avoid getting caught in the downward spiral of Sino-U.S. relations.

"Suspending climate cooperation doesn't punish the United States, it punishes the world, particularly the developing world," Secretary of State Antony Blinken said on Aug. 6, in wording echoed by senior U.S. officials, including climate envoy John Kerry.

China hadn't punished the world and developing countries, Mr. Kerry's counterpart, Xie Zhenhua, told China Daily. Instead, it was the U.S. that had done so, he said, accusing Washington of an inconsistent record on tackling climate change and having "greatly undermined" international motivation to do so through its actions, including former President Donald Trump's withdrawal from the 2015 Paris Agreement.

When asked on Tuesday in Washington what would be needed for Beijing to rescind its decision, Chinese Ambassador Qin Gang said the U.S. should refrain from any fur-



A machine transfers coal at a storage center in Jiujiang, in China's central Jiangxi province.

ther action to escalate tensions. A day earlier, Beijing announced fresh drills after another group of U.S. lawmakers met with Taiwanese President Tsai Ing-wen—an event Mr. Qin called provocative and unhelpful.

The suspension of talks won't affect either country's targets in the short term because these will be driven by policy makers responding to domestic pressures, said Deborah Seligsohn, a professor of Chinese politics at Villanova University in Pennsylvania and a former U.S. diplomat.

But without agreement between China and the U.S., she said, it might prove difficult to prod other countries to adopt more-ambitious measures at COP27, the next big United Nations climate conference to be held in Egypt in November.

Under President Biden, the U.S. rejoined the Paris Agreement to limit global warming, and pledged to at least halve its greenhouse-gas emissions from 2005 levels by 2030 and to achieve net-zero emissions by 2050.

On Tuesday, Washington moved closer to meeting those targets after Mr. Biden signed into law the Inflation Reduction Act, which offers about \$369 billion for climate and clean-energy programs.

"The U.S. is acting on climate change," Nicholas Burns, Washington's ambassador to China, tweeted before the bill's passage, calling on Beijing to reconsider its suspension of climate cooperation.

"Good to hear," China's Foreign Ministry tweeted in reply.

"But what matters is: Can the U.S. deliver?" Washington has yet to meet its commitment to provide funding for developing countries to help cope with the impact from climate change, it said.

Beijing has said its emissions will peak before 2030 and hit net zero before 2060, and has published plans to achieve those goals across a range of sectors. The country has emerged as a leader in the transition to clean energy: China installed 31 gigawatts of solar-energy capacity in the first six months of 2022, more

Beijing halted talks with Washington amid a clash over Taiwan policy.

than double the amount a year earlier, state media reported, and is by a long stretch the top producer of silicon panels; hydroelectric power output, meanwhile, increased by a fifth in the first half, data from China's Electricity Council show.

China's carbon emissions fell 4.1% for the first five months of 2022 from a year earlier, according to Carbon Monitor, though mainly because of an economic downturn driven by Beijing's zero-Covid policies and a property slump. U.S. emissions rose 5.7% over the period, the international monitoring project's data show.

Rising energy prices and fears over supplies, in part caused by Russia's invasion of Ukraine, sparked a scramble for fossil fuels in many countries, regardless of their impact on emissions. Mr. Biden tapped strategic oil reserves to cool pump prices. Similar concerns led China in late 2021 to boost coal-production capacity.

To what extent formal arrangements are needed for dialogue to continue is unclear. Messrs. Kerry and Xie were talking months before a working group on climate issues was formally established, said Michael Davidson, assistant professor at the School of Global Policy and Strategy of the University of California, San Diego.

After an acrimonious first meeting between Washington and Beijing's top diplomats in March 2021, the two climate envoys met in-person the next month, and spoke nearly bi-weekly before the U.S.-China climate working group was formalized at November's COP26 in Glasgow. Since then, the two speak every "eight to nine days," Mr. Xie told the Davos World Economic Forum in May.

Washington insists climate is a stand-alone issue. It rebuffed Beijing's request to reduce tariffs on solar panels imposed over alleged human-rights abuses in the Xinjiang region that raised clean-energy costs for U.S. consumers. China retorted that, "If the oasis is all surrounded by deserts, then sooner or later, the oasis will be desertified."

In Unexpected Move, Turkey Resumes Cuts To Key Interest Rates

By JARED MALISIN AND CAITLIN OSTROFF

ISTANBUL—Turkey's central bank unexpectedly cut key interest rates for the first time in eight months on Thursday, resuming an unconventional policy demanded by President Recep Tayyip Erdogan that triggered a currency crisis last year.

The bank said it cut its benchmark interest rate to 13% from 14%, sending the Turkish lira lower and yields higher.

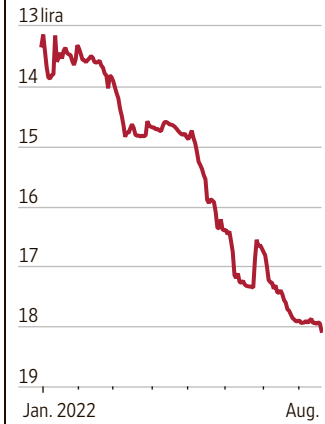
The lira shed more than half its value after Mr. Erdogan pressured the central bank into adopting a series of four interest-rate cuts last year to stimulate economic growth, despite soaring inflation. The move destabilized Turkey's economy and undermined popular support for Mr. Erdogan, imperiling his nearly two decades in power.

"It is important that financial conditions remain supportive to preserve the growth momentum in industrial production," the bank said Thursday.

The surprise decision runs counter to moves by other central banks around the world, which are raising interest rates to contain rampant inflation driven by high energy prices, the Russian attack on Ukraine, supply-chain issues and economic growth in the wake of the pandemic.

While some investors and analysts are worried that global growth is slowing, central

How many Turkish lira \$1 buys



Note: Scale inverted to show change in lira strength
Source: Tullett Prebon

bankers in major economies have said that taming inflation, even at the risk of lower growth, is paramount.

Turkey currently suffers from one of the world's highest rates of inflation, roughly 80%, according to the government's figures. Independent economists say the rate could be much higher.

Mr. Erdogan advocates lower interest rates to stimulate economic growth. He has also cited Muslim religious objections to interest rates.

The lira lost 0.8% of its value against the dollar after the decision on Thursday, with one dollar buying more than 18 lira, putting Turkey's currency near historic lows. The lira has shed more than a quarter of its value against the dollar this year.

"I'd say I'm shocked but I'm not really. It's shocking but not unexpected. This is what they do," said Timothy Ash, senior sovereign strategist covering emerging markets at BlueBay Asset Management.

In pursuit of his policy Mr. Erdogan has fired a series of central-bank governors, and last year the Turkish president dismissed a number of other bank officials to clear the way for the interest-rate cuts. The Turkish central bank had held interest rates each month this year since January in a policy that has done little to arrest a slide in the lira while inflation continues to rise.

"Today the central bank deliberately took a step to further amplify the already existing deep poverty," said former central-bank governor Durmus Yilmaz on Twitter.

Turkish officials have used a slew of tools to help stem the pace of the lira's decline against the dollar in recent years, burning through billions of dollars' worth of foreign currencies. These funds have historically come from the country's domestic banks as well as some Persian Gulf countries. Turkey's foreign reserves have also recovered in recent weeks amid the summer tourist season and a likely influx of cash from Russia, banking analysts said.

Investors also sold Turkish dollar bonds and sought contracts that protect against default on them.

Mercenaries Fill Gaps For Moscow

Continued from Page One

the Kremlin and wanted by the Federal Bureau of Investigation for alleged interference in U.S. elections, has recently been awarded Russia's highest merit, the Hero of Russia.

Wagner's recruitment billboards have appeared on the streets of several Russian cities. "The W Orchestra awaits you," proclaimed one erected in July in Yekaterinburg, with Wagner's trademark skull logo on a harmonica in the hands of one of the fighters.

In all, the company has opened recruitment centers in 26 Russian cities, according to Ukrainian military intelligence, and is expanding its drive to prisons all over Russia as it seeks to replenish its losses.

"They achieve successes on the front where others shy away," said Igor Girkin, a former Russian intelligence colonel whose takeover of the city of Sloviansk sparked violence in Donbas in 2014, "because they execute their mission regardless of the casualties that they take."

Mr. Prigozhin, who has been repeatedly photographed at Wagner's bases in Donbas, said in written answers to questions that he "doesn't know anything" about Wagner.

The Kremlin and Russia's Ministry of Defense didn't reply to requests to comment.

Russia's new reliance on Wagner stems in part from the fact that elite Russian units that would otherwise carry out such missions have been battered near Kyiv because of Moscow's miscalculations in the early weeks of the war, said retired Ukrainian Maj. Gen. Victor Yahun, a former deputy chief of Ukraine's SBU intelligence service.

"The Russian Federation has



Yevgeny Prigozhin, below, owns Russia's Wagner Group, which supplies mercenaries to fight in hot spots such as Africa's northern Mali.

a huge problem with motivated units. The only motivation that remains is money," he said. "They have nobody left for storming and breakthroughs, and Wagner is their only combat unit that does it without asking any questions—even if it takes losses of 10% to 15% after every mission."

Wagner fighters are paid vastly better than the regular Russian troops. According to a research note by Ukraine's GUR military-intelligence service seen by The Wall Street Journal, Wagner troops receive 350,000 rubles, equivalent to \$5,790, a month, plus premiums of 150,000 to 700,000 rubles depending on mission success and role, with additional bonuses for killing Ukrainian soldiers. Wagner's own advertisements on social media mention a starting pay of 250,000 rubles.

In May, the main Russian offensive in Donbas stalled near Izyum and Russian attempts at a pontoon crossing of the

Siverskyi Donets River ended in a rout. Then, Wagner's men finally managed to break Ukrainian fortifications near the town of Popasna. That allowed Russian forces to fan out in the following weeks, taking the cities of Severodonetsk and Lysychansk. Wagner captured the Vuhlehirsk power station in July and, Russian and Ukrainian officials said, now is spearheading the fighting to break Ukraine's next line of defenses in the city of Bakhmut.

"They bleed just like everyone else, they fall like everyone else, but you do feel their level of preparation," said Ukrainian Capt. Oleksandr Buntov, who commanded a reconnaissance unit engaged in close combat with Wagner in Popasna and later near Lysychansk. "It's not the usual Russian infantry. They know reconnaissance, and you can see it from how they walk and how they move. They also know how to call in artillery and air support."



While Wagner fought Ukrainian forces in Donbas as early as 2014, the company's main focus over the past eight years has been in Syria, Libya, Mali and the Central African Republic, where it often offered its services to Russian-backed leaders in exchange for a share of natural-resource revenue, U.S. officials said. "They are professional killers who work in coordinated groups, and it's not the first war for them," said Ukraine's national security adviser, Oleksiy Danilov.

Unlike other, smaller private Russian military compa-

nies that also operate in Ukraine, Wagner has its own tanks, heavy artillery, air defenses and multiple-launch rocket systems. It also operates combat aircraft.

In the Ukrainian battlefield, Wagner soldiers today operate under the overall command of the Russian military unit responsible for the area, and are integrated into the Russian military's logistics chain, GUR said. "It's a mistake to call them a private military company—Wagner is just another way of serving in Russia's armed forces," Mr. Yahun said.

Part of Wagner's recent coming out has been dictated by its recruitment needs after heavy losses in Donbas. Some of these casualties have been caused by the company's new hunger for publicity: A deadly Ukrainian strike on the company's base in Popasna on Saturday was made possible by Mr. Prigozhin's posing for photos with a Russian military

correspondent outside the facility. These photos, posted by the correspondent online, allowed the Ukrainian artillery to easily identify the building, Ukrainian officials said.

Wagner's heavy losses since May and June mean the group now has to scrape for new recruits. Those willing to fight in Ukraine no longer have to be healthy, experienced or particularly fit. "They won't look too much at the norms, just don't be a complete sack," explained a Wagner recruitment note on a Russian social-media network.

Russian prisoner-rights groups said detention facilities have now become a prime recruitment ground for Wagner units in Ukraine. Mr. Prigozhin has been touring detention facilities, promising inmates freedom and money in exchange for going to war, the groups said.

Andrey Bogatov, a senior member of Wagner, this month confirmed the prisoner recruitment, saying Wagner cares for the lives of its troops "regardless of whether they are former soldiers or former convicts."

Mr. Prigozhin, in written answers to questions, said he hadn't just visited prison facilities but himself spent 10 years behind bars.

In Russia's detention facilities, inmates are told by Wagner that their convictions would be wiped out after six months of service in Ukraine, even though no such procedure is available under Russian law, said Olga Romanova, head of the Russia Behind Bars prisoner-rights organization.

"This situation is completely outside any legal field," she said. Few of these prisoner recruits have any military experience because, as a rule, they have been in and out of detention facilities since teenage years, Ms. Romanova said. Some 200 such inmates have died in Ukraine since Wagner began deploying them to the front lines in July, she said. "They are just cannon fodder."

—Evan Gershkovich and Brett Forrest contributed to this article.

FROM PAGE ONE

Fed's Bullard Leans Toward 0.75-Point Rise

By MICHAEL S. DERY

Federal Reserve Bank of St. Louis President James Bullard said he is considering support for another large rate rise at the central bank's policy meeting next month and added he isn't ready to say the economy has seen the worst of the inflation surge.

"We should continue to move expeditiously to a level of the policy rate that will put significant downward pressure on inflation" and "I don't really see why you want to drag out interest rate increases into next year," Mr. Bullard said in an interview Thursday with The Wall Street Journal.

When it comes to the Fed's next move on interest rates, Mr. Bullard said of next month's Federal Open Market Committee meeting that "I would lean toward the 75 basis points at this point. Again, I think we've got relatively

good reads on the economy, and we've got very high inflation, so I think it would make sense to continue to get the policy rate higher and into restrictive territory."

Mr. Bullard is a voting member of the FOMC this year. Since March, the Fed has embarked on an increasingly aggressive path of rate rises to lower inflation from levels that are at 40-year highs. After lifting rates from near-zero levels in March, the central bank shifted to 0.75-percentage-point rate increases at its June and July meetings, and now has its overnight target rate in a range of 2.25% to 2.5%.

The FOMC next meets Sept. 20-21. Recent data hinting at a possible waning in inflation pressures, as well as comments by some central bankers, have generated a debate among market participants as to whether the central bank

can slow the pace of rate rise into the end of the year.

Mr. Bullard said he isn't ready to say inflation has peaked and it remains important for the Fed to get its target rate to a range of 3.75% to 4% by year-end, before the

2.25%

Lower end of Fed's current overnight target rate range

central bank can consider what it will need to do next year.

He also said that he sees about an 18-month process of getting price pressures back to the Fed's 2% target, and predicted that path will likely be uneven, while adding, "We've got a long way to go to get in-

flation under control."

"The idea that inflation has peaked is, is a hope, but it's not statistically really in the data at this point," Mr. Bullard said. "I'm hopeful" the worst of the inflation surge has passed, he said, though he added he expects high inflation "to prove more persistent than what many parts of Wall Street think."

What's more, Mr. Bullard said he believes growth in the second half will be stronger than the apparent weakness seen over the first six months of the year, and he believes the job market will stay robust as well.

"There's just a lot to like about the labor market" and it is possible unemployment may tick down a touch further from the 3.5% reading seen in the July data, he said.

Mr. Bullard said unemployment could even rise and still herald a robust labor sector,

because an unemployment rate that has a neutral impact on price pressures is likely in the 4% range.

Mr. Bullard said that market speculation over rate cuts is "definitely premature" and that fears the economy may fall into a downturn are overblown.

The veteran central banker played down indications that financial-market conditions have been easing even as the central bank presses forward with rate increases. Tighter monetary policy is supposed to increase restraint in the economy in large part through its impact on asset prices, so an easing there in theory could force the Fed to be even more aggressive with future changes in the federal-funds rate.

Mr. Bullard said it is possible stock prices are giving a false impression of the state of asset prices.

"One thing about financial conditions that I'm steadfast about is, I don't like financial conditions indexes that put too much weight on equity pricing. Equity prices, you know, can be far from fundamentals for certain stocks," and company shares aren't a big driver of how the Fed thinks about future monetary policy choices, he said.

In a separate appearance Thursday, Minneapolis Fed leader Neel Kashkari said an economic downturn is one risk of the Fed's current policy path.

"I don't think we're in a recession right now," he said. "But as we continue to raise rates, as we continue to raise costs, so to speak, of borrowing across the economy, it should be putting, tapping the brakes on the U.S. economy, and that makes it more likely that we would end up in a recession."



Federal Reserve Chairman Jerome Powell, left, said in June, "We now understand better how little we understand about inflation." The Fed building, center. Former Fed chairman Alan Greenspan, right.

Wall Street At Odds With Fed

Continued from Page One

An expectation the Fed will start cutting interest rates in the next six to nine months isn't realistic, Mr. Kashkari said. It is more likely the Fed will "raise rates to some point, and then we will sit there until we get convinced that inflation is well on its way back down to 2%," he said.

If the Fed follows that path, markets are likely to face a painful reckoning—one that could unwind much of the recent rally and extend what has been a tumultuous stretch for investors from retail traders to hedge funds to pension funds.

"We think the market is getting ahead of itself," said Wei Li, global chief investment strategist at BlackRock Inc.

Rallying markets also make the Fed's job tougher. Rising stock and bond prices have loosened financial conditions since the Fed's June meeting. That works against the central bank's aim to slow spending and rein in inflation by raising rates enough to tighten the flow of money in the economy.

"You need to keep financial conditions tight. That's the whole point of this," said Marc Sumerlin, a senior economic adviser to President George W. Bush who is now managing partner at economic consulting firm EvenFlow Macro.

Any acknowledgment by the Fed that inflation is easing risks spurring further market gains. That could lead to even looser financial conditions, slowing the central bank's efforts to tame inflation, said Jason Draho, head of asset allocation for the Americas at UBS Global Wealth Management.

"Now, you're sort of undoing a lot of the hard work the Fed has been doing this year to slow the economy," Mr. Draho said.

Fed faith

To understand how the two sides got so far apart, it helps to look back.

For decades, investors have put their faith in the "Fed put," the belief that when markets fall substantially, the Fed will lower interest rates,

but remained near its highest level since November 1981.

Some of Wall Street's top analysts have cautioned about reading too much into recent stock gains. Mike Wilson, chief U.S. equity strategist and chief investment officer at Morgan Stanley, is forecasting the S&P 500 will end the year around 3900, down 8.8% from where the broad index closed Wednesday. At Bank of America Corp., Savita Subramanian, head of U.S. equity and quantitative strategy, is expecting the S&P 500 to finish 2022 even lower—at 3600, a fall of 16% from Wednesday's close.

Skeptics of the rebound say that even if inflation turns out to be peaking, it likely won't fall fast enough for the Fed to pivot as quickly as the markets expect. The Fed's preferred measure of inflation—the personal-consumption expenditures price index—rose 6.8% in June from the same month a year earlier. That was far above the central bank's target

and the sharpest rise since January 1982. Investors will see the July reading later this month.

"The market is still pricing more aggressive cuts than we think are warranted," said Ms. Li, of BlackRock. "We see the Fed eventually pivoting on policy, but not as much as the market is expecting."

European Central Bank in June.

Economists outside the Fed are divided over how aggressively the central bank should attack inflation. One camp says even if it falls over the next 12 months, it is likely to settle at 4% or higher, a level most Fed officials would consider unacceptably high. That would make it difficult for the central bank to lower rates to the levels that fueled markets in recent years.

Some of these economists suspect the Fed isn't being forthcoming about how high it believes interest rates will need to go for inflation to fall to 2%. Another camp warns that the Fed, embarrassed about waiting too long to pull back its support of a booming economy last year, will compound the error by tightening too much. These economists believe the current surge in inflation is the result of global shocks rather than an overheated U.S. labor market, which would require a much

deeper downturn to bring down inflation.

'Unpredictable beast'

Investor faith in the Fed put has strengthened in recent years. Markets slumped in 2018 as the central bank raised interest rates four times and investors fretted over the seeming end of easy-money central bank policies. As the central bank paused its rate increases and then switched to cutting rates the following year, stocks went back up. They tumbled again in March 2020 after the Covid-19 pandemic shut down economies around the world. They bottomed out within the month and surged after the Fed cut interest rates and re-launching its bond-buying program.

"The fact that the Fed is very hawkish today doesn't mean they can't go dovish in a few months. That's happened over and over again," said Jim Paulsen, chief investment strategist of The Leuthold Group in Minneapolis. Yet in recent instances when the Fed eased rates, the central bank was having difficulty pushing inflation up to its 2% target. Investors and Fed officials were ultimately reacting to the same growth risk. With inflation running high, that is no longer the case.

If the Fed holds tight to its plans, markets could be in for a tough ride. Earlier this year, Goldman Sachs Group Inc. research found the stock market had fallen at least 15% on 17 occasions going back to 1950. In 11 of those instances, the market only hit its trough around the time the Fed started easing monetary policy.

Mr. Paulsen believes the case for further interest-rate increases has weakened. But he acknowledged that trying to predict how the Fed will respond to inflation in the months ahead is almost impossible.

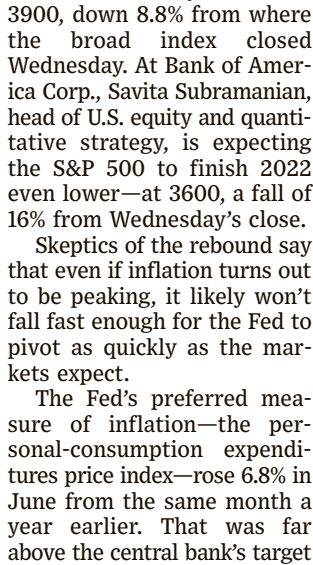
"The reality is that right now, the market is enjoying the Fed put," he said. "We're all dealing with a very unpredictable beast."

—Nick Timiraos contributed to this article.

Running Ahead of the Fed

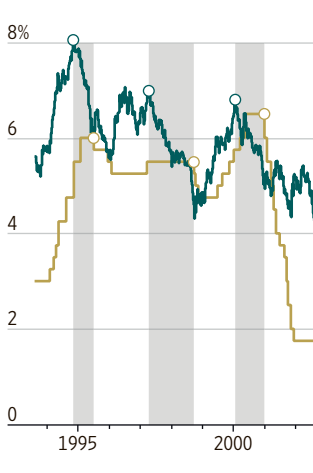
The 10-year U.S. Treasury yield has peaked before the federal-funds rate each time the Federal Reserve has raised interest rates the past few decades. Investors are divided on whether this time will be different.

Interest rates



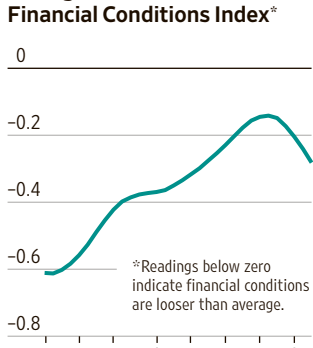
Financial conditions have loosened since July, even as the Fed has raised interest rates.

Chicago Fed National Financial Conditions Index



Stocks have wiped out a substantial portion of their losses for the year in the past several weeks, which investors attribute to growing hopes for rate cuts next year.

Index performance, year to date



Note: Data for the 10-year yield are weekly. The line for the federal-funds rate is the midpoint of a range since 2008. Sources: FactSet (yields, indexes); Federal Reserve (fed-funds rate); The Leuthold Group (peak dates); Federal Reserve Bank of Chicago via St. Louis Fed

Watch a Video

Scan this code for a video on how a weaker dollar could boost inflation.



ARTS IN REVIEW



TELEVISION REVIEW | JOHN ANDERSON

The Targaryens Are Back and Blazing

It's hard to imagine the uninitiated viewer getting past the introduction to the "Game of Thrones" prequel "House of the Dragon" without thinking, "Wake up and smell the Kool-Aid." The ponderous recitation of textual obscurities; the litany of unintelligible names; the holy tone—is this a TV show or a religious exercise? Some may suspect, with good reason, that the modus operandi of the entertainment industry now is to create experiences that not only amuse but indoctrinate. (See: The Marvel Cinematic Universe.)

Sign me up: As cult-like as it may all seem, the unnervingly violent, unwaveringly self-important "Dragon" is a success dramatically, as captivating as any season of "Game of Thrones," which was one of the most successful, popular and critically well-regarded series ever to appear on television. Combined with the existing following of fantasy author George R.R. Martin, "Dragon" arrives on HBO Sunday enjoying the most formidable of fan bases, and that base will be pleased—more pleased, surely, than it was with the "GOT" conclusion of 2019.

The Iron Throne—its platform bristling with the swords of the conquered, their angles anticipating an attack from any direction—is what everyone seems to want, and it will come as a shock to few (especially any readers of Mr. Martin's abundant fiction) that royal succession is the principal conflict of the story. Isn't it always in the world of medievalist fantasy lit? As we are told, "House of the Dragon" begins in "the ninth year of Viserys I Targaryen's reign—172 years before the death of the mad king Aerys and the birth of Daenerys Targaryen." Daenerys, played by Emilia Clarke in "GOT," was among the last of the Targaryens. The new show is about her not-so-distant ancestors, the "dragon-



Clockwise from top: Paddy Considine and Milly Alcock; Mr. Considine; Emily Carey and Ms. Alcock; Steve Toussaint



lord" family that has already ruled the land of Westeros for a century, thanks in no small part to the fire-breathing beasts that appear out of the sky with only a few chirps of warning. They can incinerate enemies. And do.

Viserys is played by Paddy Considine ("In America," "The Death of Stalin"), whose many fans might think him an unlikely choice to play a gray-bearded gothic despot. But his performance is marked by an originality shared by many in the cast, who resist following in any actorly footsteps, even as they enact a story that stomps along narrative territory so well-trod it can be mapped by memory: The aging king, desperate for a male heir to continue his century-old line, sacri-

fices his wife for the sake of the baby, loses the boy and has to name his daughter to inherit the throne—thus dictating a violent, intrigue-ridden course for the rest of her life (or, at least, season 1). It seems familiar.

The characters, on the other hand, are many, distinct and given depth by the people portraying them. Mr. Considine doesn't do Lear, he doesn't do Sauron, he doesn't lapse into any previous portrayals of Henry VIII even if Viserys does have "Tudor" written all over him. He also has a sublime Rhys Ifans, on a very low boil, playing his closest adviser, Otto Hightower, this story's version of Thomas Cromwell. Both men have daughters, childhood friends

who'll grow icy: Alicent Hightower (Emily Carey, young and sweet; Olivia Cooke, older and devious) will eventually marry the widowed king; Princess Rhaenyra Targaryen (Milly Alcock until episode 6 when Emma D'Arcy takes over) loves her father. She also knows he murdered her mother, more or less, which colors her perceptions of him, as it does ours.

Similarly, the decision to show the prolonged butchering of a woman in labor colors our perception of the series makers: Their reliance on sadism, cruelty and occasional disemboweling suggests either an adolescent impulse to push the violence as far as it will go or an understanding that what bonds the "Game of Thrones" com-

munity is a shared stomach for edgy mayhem. When the king's soulless, scheming, charismatic brother, Daemon (Matt Smith of "The Crown"), brings his City Watch to enforce the "law" in the capital of King's Landing, they leave heads, limbs and testicles scattered in the squalid streets. And this is just episode 1. None of it is much of a stretch from the bloody aesthetic of "Game of Thrones," but still: Are they trying to outdo their predecessor? Or simply honor a tradition?

Either way, it doesn't make the story any better, though the indulgence can be funny: A very lengthy seduction scene involving one participant in a full suit of armor takes some of the luster off the lust.

Only the first six episodes were made available for review, but those chapters establish a very convincing world and its people. Even the dragons do a good job of portraying real dragons, though they're used rather sparingly during the early efforts to conquer the empire of Viserys from without and undermine it from within. The writing, which apparently drew heavily on Mr. Martin's voluminous "Fire & Ice," provides the actors with the kind of faux-noble dialogue that a cast has to overcome to make real, but they do. (Several have to speak in both English and Valyrian.) They also have to bridge large gaps of time between each episode—six months here, two years there and 10 years between episodes 5 and 6, which makes more plausible a change in cast. Devoted viewers will find themselves missing the elfin, pug-nacious Ms. Alcock, and the earnest Ms. Carey as they morph into the actresses D'Arcy and Cooke. But they might not find themselves missing "Game of Thrones" quite so much.

House of the Dragon
Begins Sunday, HBO

FILM REVIEW | KYLE SMITH

'Beast': A Tale With No Bite

You'd think it wouldn't be that hard to make a scary, or at least entertaining, movie out of the concept of a rampaging lion attacking every human being in sight: Just round up some suspenseful music and borrow stylistically from "Jaws." In "Beast," however, the director Baltasar Kormákur ("2 Guns") bungles every opportunity for suspense and horror. The digital lion in the movie is about as scary as Chevy Chase's Landshark. Kick the thing in the snout, and it skitters away looking confused. Such woeful technique! Any self-respecting big cat would simply remove the leg of anyone who tried that. If any lions watch this movie, they're bound to regard it as a comedy about the sheer ineptitude of one of their colleagues.

Worse, Mr. Kormákur somehow elicits a shoddy performance from the sturdy English actor Idris Elba, whom I'd never seen flail like this. Mr. Elba plays Nate Samuels, an American physician who brings his two daughters, Meredith and Norah (Iyana Halley and Leah Sava Jeffries), to South Africa to visit the place where their deceased mother grew up. The man who introduced

Nate to her is her childhood friend Martin (Sharlto Copley), whom the girls fondly address as "Uncle Martin" and who is an expert on the local fauna and a friend to lions. One of them dashes right up to him and puts its paws on his shoulders as though asking for a dance. Poachers are, however, causing increasing rage among the prides, and rumors abound that Martin is one of the anti-poachers who have taken it upon themselves to serve as lion-protecting vigilantes, which might involve killing illegal hunters.

There are some moral difficulties here, but the screenplay, by Ryan Engle, skips over all of them, preferring to stick to a basic, "Hey, audience, here is something you should know" formula. Out of nowhere, the girls specify (in front of Uncle Martin) that they're upset with their father for not being kinder to their mother before she died of cancer. As Nate and she had separated just before she got sick, this seems unfair, but the point is that Nate is a timorous, disappointing fellow who must develop into a stouthearted warrior when it comes to protecting his daughters from one of nature's most ferocious predators. Mr. Elba is



Idris Elba as Nate Samuels in Baltasar Kormákur's new movie

when the angry lion starts climbing all over their trapped car, and he seems oblivious to the way the script consists of nothing but clunkers and banalities: "Hey, man, I don't know what to do right now," and so on. On several occasions the director creates the suspicion that he is simply killing time in order to drag the movie past the 90-minute mark (it runs 93 minutes including credits), at one point pausing at length to circle his camera menacingly, and turn up the spooky music on the soundtrack, while Nate

utterly at a loss about how to play this soft, round-shouldered character, but why was he cast in this role in the first place? The man has the build of a tank. You might as well ask Wallace Shawn to play Batman. Nor does Nate's inner conflict make a lot of sense; he is haunted by the idea that when death came for his wife, he failed to stand in its way, saying, "No, you can't take her," but this sounds like the attitude of a mystic, not a doctor.

Once the movie gets rolling, it amounts to an extended animal at-

tack punctuated by a lot of meaningless cross-talk, as Mr. Kormákur enjoys having his actors jabber over one another. (One of the kids wears a "Jurassic Park" tank top, indicating the feel the director is going for, but the Baltasar Kormákur of the world ought to have enough humility to avoid comparing themselves to Steven Spielberg.) Mr. Kormákur can't get the cast to attune the performances to the level of danger at hand (I've seen teenagers show more distress over a Wi-Fi outage than the kids in this movie show

simply dresses a nonlethal wound. Mr. Kormákur's climax is meant to be a showcase of immense courage but looks more like absurd folly, with Nate leaving a secure place to challenge the lion while armed with nothing except a short knife and a plan to do lots of kicking and punching. Trying to out-muscle a lion seems unwise. After all, Uncle Martin helpfully points out that the reason a person should try to avoid fighting a lion is because "that is not a fight that you are designed to win." Do tell.

ARTS IN REVIEW

There is never an unfortunate season, or unhappy setting, in which to see a fine production of “A Little Night Music,” the scintillating 1973 musical by Stephen Sondheim and Hugh Wheeler about romantic alliances, misalliances and mere dalliances in Sweden on the cusp of the 20th century. But it was a particular pleasure to take in the show on a beautiful evening in the verdant Berkshires at the Barrington Stage Company. Smiles of a summer night, indeed. (The musical, as many will know, is inspired by the Ingmar Bergman movie of that title.)

The general excellence of this production, which features a ravishing Emily Skinner in the central role of Desiree Armfeldt, is particularly rewarding because the staging is a valedictory of sorts for the director, Julianne Boyd, the co-founder and longtime artistic director of the company, who is stepping down after this season. To put a golden seal on her stewardship of the theater with a production of this caliber makes this an event worth celebrating.

Happily, that comes easily. “A Little Night Music” has always been among Sondheim’s most smoothly enchanting musicals. The original Broadway production was the rare Sondheim show to delight audiences as much as critics, and turn a profit. The score, consisting of ingenious variations on the waltz (surely Brahms’s “Liebeslieder-Walzer” was an influence, especially given the onstage presence of lieder singers annotating the action), enchants from its first notes to its last.

And Ms. Boyd has assembled a sterling cast. Most signally, she has also drawn out, with elegant subtlety, the poignant truths at the heart of the show: While all the characters are in search of love (except the elderly Madame Armfeldt, played with glinting wit by Mary Beth Peil, whose many ro-

A rewarding staging of ‘A Little Night Music’ from the Barrington Stage Company.

mances are behind her), all are caught up in traps of their own devising, their desires frustrated by the choices they make, or made, or fail to make, as they try to wrest romantic satisfaction from a recalcitrant world—or a recalcitrant husband, wife or lover.

Ms. Skinner’s Desiree is, at least on the surface, the most contented of these principals. An accomplished actress who takes lovers and casts them off as casually as she dons and doffs costumes, she initially looks on her erstwhile lover Fredrik Egerman (Jason Danieley) with a mildly sardonic compassion—tenderly but wryly expressed by Ms. Skinner, a smile on her face but a touch of acid in her voice—as he complains about his young wife,



THEATER REVIEW | CHARLES ISHERWOOD

Smiles of Sondheim’s Summer Evening

Kate Day MagoCSI and Mary Beth Peil, above, Jason Danieley, right, and Emily Skinner, below, in ‘A Little Night Music’

As Anne (Sabina Collazo). But in the musical’s most famous song, “Send in the Clowns,” delivered with plush tone and crisp intelligence by Ms. Skinner, Desiree mournfully acknowledges that there has remained a void in her life, or at least a dark underpinning of regret that her relationship with Fredrik had not reached a natural fulfillment.

Fredrik, whom Mr. Danieley—the model of a musical leading man in every respect—imbues with a gentle wistfulness, has made his bed by taking a wife who is far too young and callow for him. Now he cannot even get her to lie in it, so to speak. After nearly a year, the marriage remains unconsummated, which is why he somewhat sheepishly implores Desiree to take him to bed.

As Anne, Ms. Collazo gives a performance that is itself a trifle callow, at least initially, although as Anne is increasingly drawn to Fredrik’s son, Henrik (Noah Wolfe), her interpretation softens and deepens. (Ms. Collazo benefits from having one of the best of Sara Jean Tosetti’s mixed-bag costumes, a diaphanous white gown that neatly illustrates her sexual reticence—it would take some doing to get under all those layers.) Mr. Wolfe, as the young seminary student, vibrates with such frenzied sexual tension in his attrac-

tion to Anne that it’s a wonder the cello he plays doesn’t splinter before our eyes.

The other two notable participants in the nearly farcical roundelay of romances are Count Carl-Magnus Malcolm (Cooper Grodin) and his wife, Charlotte (Sierra Boggess). As Carl-Magnus, an unrepentant philanderer and Desiree’s latest lover, Mr. Grodin could profitably tone down the comic officiousness, but it does serve to illustrate that the character’s shallowness, unless checked, will leave him forever in search of new conquests, a debilitating endeavor even for the most

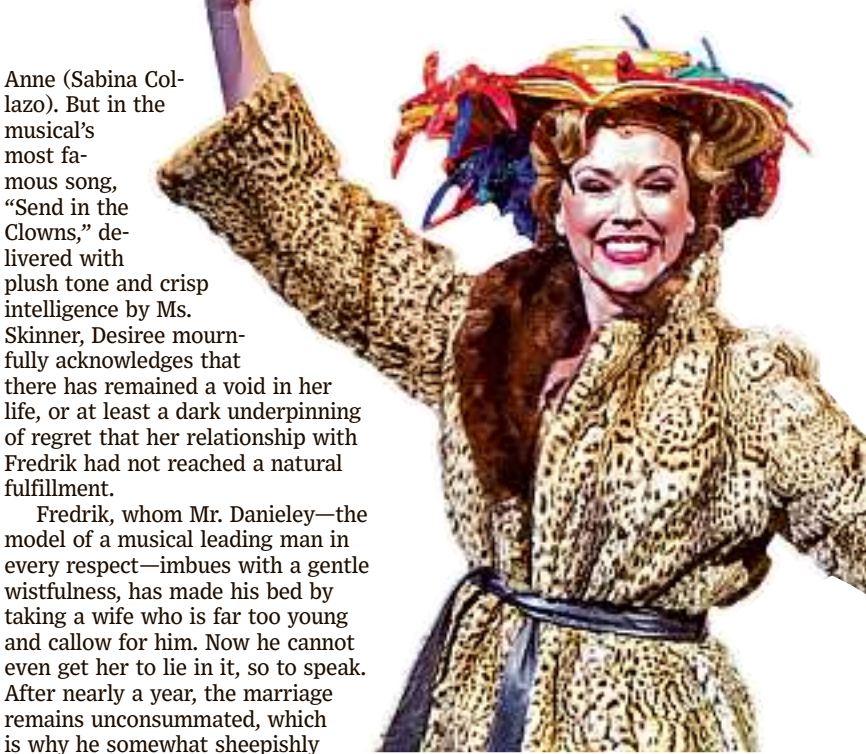
prapric. And while Ms. Boggess’s deliciously tart Charlotte is the most ill-used and unhappy of the principals, you could argue that a woman whose idea of casual conversation is a song titled “Every Day a Little Death” might not be the warmest companion a man could find.

The production would have benefited from a more atmospheric—let’s be frank, less cheap-looking—set design; ditto the costumes. But only a fool would harp on picayune flaws when this rich material is being served with such musical polish and sensitivity. “A Little Night Mu-

sic” blends romanticism and cynicism with an uncanny delicacy. The cynicism, or realism, to be more gentle, decorates the show as a string of black pearls would enhance the décolletage of a beautifully dressed duchess.

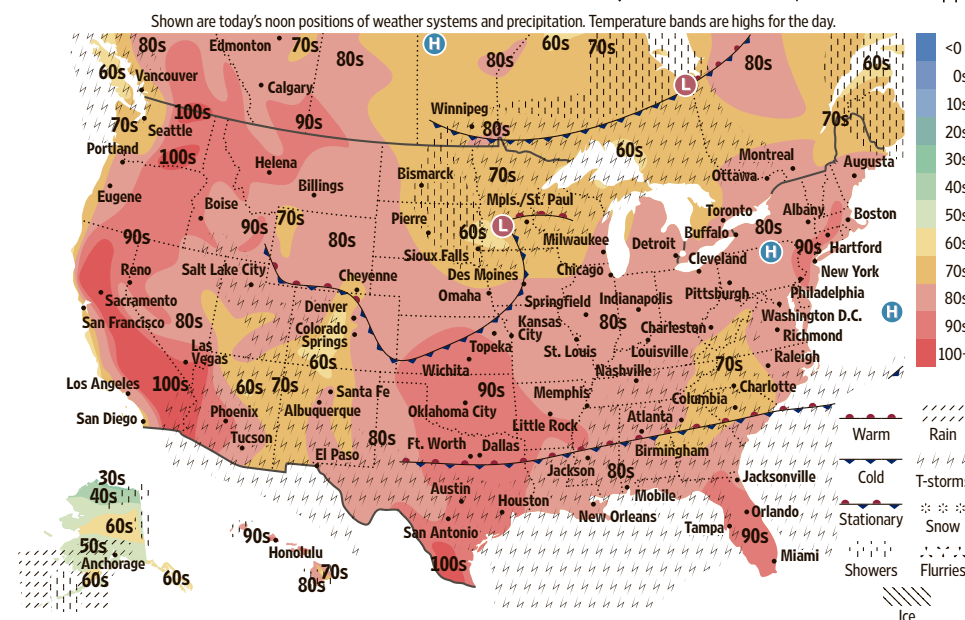
A Little Night Music
Barrington Stage Company Boyd-Quinson Stage, 30 Union St., Pittsfield, Mass., \$25-\$85, 413-236-8888, closes Aug. 28

Mr. Isherwood is the Journal’s theater critic.



Weather

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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	56	53	r	60	55	c
Atlanta	80	69	t	84	70	t
Austin	92	74	t	97	76	pc
Baltimore	89	69	pc	84	68	t
Boston	93	69	pc	86	70	pc
Boulder	89	71	s	86	70	s
Burlington	84	63	pc	89	66	s
Charlotte	76	68	t	83	69	t
Chicago	85	67	s	79	66	t
Cleveland	83	66	s	84	66	t
Dallas	95	78	s	95	79	pc
Denver	83	58	c	78	59	pc
Detroit	86	66	s	85	66	pc
Honolulu	90	77	s	89	74	s
Houston	90	76	t	91	75	t
Indianapolis	85	65	t	84	66	c
Kansas City	85	65	t	82	62	t
Las Vegas	99	77	t	97	81	t
Little Rock	89	69	s	92	71	s
Los Angeles	83	65	pc	82	65	pc
Miami	92	82	t	91	80	t
Milwaukee	82	62	t	77	66	t
Minneapolis	75	64	t	77	66	t
Nashville	88	70	t	87	71	t
New Orleans	85	76	t	86	76	t
New York City	88	73	s	85	72	pc
Oklahoma City	92	70	s	89	67	t

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	75	59	sh	73	61	pc
Athens	96	79	s	93	77	s
Baghdad	115	84	pc	116	84	pc
Bangkok	93	79	t	93	79	t
Beijing	93	67	s	87	70	pc
Berlin	79	66	t	75	59	t
Brisbane	77	55	t	75	55	pc
Buenos Aires	59	47	s	60	48	s
Dubai	104	90	pc	108	91	c
Dublin	67	54	pc	68	52	pc
Edinburgh	65	51	pc	64	49	pc

Today

City	Hi	Lo	W	Today	Tomorrow	
	Hi	Lo	W			
Frankfurt	85	66	pc	80	61	sh
Geneva	72	58	pc	76	58	sh
Havana	91	74	t	91	74	t
Hong Kong	88	80	t	87	81	t
Istanbul	86	72	s	86	73	s
Jakarta	92	77	t	91	78	sh
Jerusalem	88	61	s	86	61	s
Johannesburg	56	38	s	61	38	s
London	75	56	pc	75	58	pc
Madrid	90	62	s	95	66	s
Manila	87	78	t	89	78	t
Melbourne	60	54	pc	59	42	pc
Mexico City	72	58	sh	72	57	sh
Milan	77	62	pc	86	64	s
Moscow	80	61	c	77	61	t
Mumbai	85	79	sh	86	79	sh
Paris	78	60	t	76	57	pc
Rio de Janeiro	71	63	r	66	64	c
Riyadh	112	87	t	113	88	c
Rome	82	66	t	83	68	s
San Juan	88	80	pc	89	78	t
Seoul	95	76	t	97	78	t
Shanghai	101	86	pc	101	84	t
Singapore	87	79	r	87	79	t
Sydney	67	50	pc	69	47	pc
Taipei City	94	82	t	94	81	t
Tokyo	88	76	pc	87	76	pc
Toronto	84	65	s	85	68	pc
Vancouver	76	62	pc	74	61	c
Warsaw	87	68	pc	85	67	c
Zurich	70	57	t	72	55	t

The WSJ Daily Crossword | Edited by Mike Shenk

The answer to this week’s contest crossword is a six-letter word.

Across

- 1 “Doggone it!”
- 5 Dorian Gray’s creator
- 10 Tacit approval
- 13 Stuck in ____
- 14 Maker of Revitalift moisturizer
- 15 Member of the Australian avifauna
- 16 Easy on the eyes
- 18 Close
- 19 Flying starts
- 20 Nostalgic number
- 22 Places
- 23 Chef’s mushroom
- 25 Picante pods
- 28 Landmark over eau
- 31 Gives an edge to
- 32 Sleekly designed, for short
- 33 “Horton Hears ____”
- 34 Trade-promoting United Nations agcy.
- 35 They’ll walk all over you
- 38 Sharing possessive
- 39 Move, in real estate jargon
- 41 Rough figs.
- 42 It’s orbited by la lune
- 44 Character who slept on a pea
- 46 Smetana compositions
- 47 Wispy clouds
- 48 Shopper’s delight
- 49 “Friendship,” for Texas
- 51 Pat-down directive
- 55 Brest bestie
- 56 He traveled 20,000 leagues under the sea

► Email your answer—in the subject line—to crosswordcontest@wsj.com by 11:59 p.m. Eastern Time Sunday, August 21. A solver selected at random will win a WSJ mug. Last week’s winner: Sean Wright. Complete contest rules at WSJ.com/Puzzles. (No purchase necessary. Void where prohibited. U.S. residents 18 and over only.)

PUZZLE CONTEST

- 59 Door sign
- 60 Purity units
- 61 Neglect to say
- 62 Director Lee
- 63 Sandcastle site
- 64 “The Human Stain” author
- 25 Cricket sound
- 26 “The Gulf Stream” painter
- 27 Meeting out
- 28 Nuisances
- 29 “Hailing frequencies open” speaker
- 30 Front pants
- 32 Too, in Toulouse
- 36 Draft pick
- 37 Hot
- 40 “I’ll handle that right away, boss!”
- 43 Franklin’s first lady
- 45 Pickling vessels
- 46 Site of 28-Across
- 48 Unexpected outpouring
- 49 Crib cry
- 50 Sign to heed
- 51 General acquisition
- 52 Trade fair presentation
- 53 Give out
- 54 Flittering flier
- 57 “That feels so good!”
- 58 Debate side

Previous Puzzle’s Solution

A	D	D	T	O		B	A	H	A	I	G	A	L			
L	U	R	E	S		B	R	O	W	N	R	I	C	E		
L	O	Y	A	L		S	T	I	C	K	I	T	T	O		
C	R	O	C	K		S	M	I	D	I	O	I	E	N		
E	E	L		E	L	I	S	T	O	N		O	D	E		
G	R	E	E	N	L	I	T		N	G	O					
G	R	A	S	S	L	E			P	O	M					
I	N	P	A	T	I	N			E	R	N	A	N	T		
S	S	I	N			G	R	A	M	L	A	D				
T	H	I	S			U	S		R	O	C	K	S	T	A	R
H	O	T	D	A	M	N			S	P	I	R				
E	S	P	E	R	A	N	T	O		I	P	A	S			
C	H	A	M	E	L	E	O	N		N	O	D	I	U	H	
W	I	T		S	T	I	X	I	E	S		E	N	E	M	Y

SPORTS

By Andrew Beaton

The National Football League and Deshaun Watson reached a settlement that suspends the star Cleveland Browns quarterback for 11 games and assesses an unprecedented fine of \$5 million to resolve violations of the league's personal conduct policy stemming from sexual misconduct allegations against him.

The settlement, following an agreement between the NFL and NFL Players Association, will see Watson sit out for longer than the six-game suspension he had earlier been issued by a neutral arbitrator. By settling, Watson avoids a pending decision from an appeals officer that could have resulted in a season-long ban. The NFL, meanwhile, does not have to worry about a possible court battle that loomed with Watson and the players union.

"I apologize once again for any pain this situation has caused. I take accountability for the decisions I made," Watson said in a statement released through the team. "My focus going forward is working to become the best version of myself on and off the field and supporting my teammates however possible while I'm away from the team."

Shortly after his statement apologizing, though, Watson maintained his innocence. "I've always stood on my innocence and always said that I've never assaulted anyone or disrespected anyone—and I've continued to stand on that."

Watson added that he apologized because there were a lot of people who were "triggered."

Watson, one of the game's most talented young players, was first accused of wrongdoing in civil lawsuits brought more than a year ago by massage therapists who said that Watson had engaged in various forms of inappropriate behavior while they worked with him. In the time since, dozens of allegations of misconduct have surfaced against him.

Watson initially received a six-game ban from a neutral arbitrator, former U.S. District Court Judge Sue Robinson, who found that Watson violated the personal conduct policy. But the suspension she handed down was six games—leading to outcries that the penalty was too lenient. That led the league to exercise its right to an appeal, where the scales were tilted in its favor because the process sends the final decision to commissioner Roger Goodell or someone he picks.

Goodell appointed Peter Harvey, a former attorney general of New Jersey and federal prosecutor who had previously served as the commissioner's designee in other arbitrations. But before Harvey ruled, the sides were able to strike an agreement.

One indication of a potential settlement emerged last week when Watson issued a public apology for the first time. Robinson, in her decision, had cited Watson's lack of remorse as an aggravating factor in her ruling.

"Deshaun has committed to do-

Watson Gets 11-Game Suspension

The quarterback was also fined \$5 million for violations of the NFL's personal conduct policy



The NFL and Deshaun Watson reached a settlement that suspends the Browns quarterback for 11 games and assesses an unprecedented fine of \$5 million.

ing the hard work on himself that is necessary for his return to the NFL," Goodell said in a statement.

The agreement yields a punishment shorter than the year-long one the league initially sought, but even the 11-game suspension may in some ways move the goalposts on the standards for discipline in the NFL. The fine for Watson is also

The agreement yields a punishment shorter than the year-long one the league initially sought.

unprecedented—it is the largest in league history for a player in one of these cases.

The league had initially recommended to Robinson, the neutral arbitrator selected by the NFL and NFLPA, that Watson should have to sit for the entire 2022 season, at least. The league's appeal had addressed whether his discipline should be lengthened and if he should be fined, while it also suggested a modification that Watson receive professional evaluation and treatment.

In Robinson's ruling, she de-

scribed Watson's behavior as "egregious" and "predatory," but she based her discipline on past suspensions. She wrote that the six-game ruling was the "most significant punishment ever imposed on an NFL player for allegations of non-violent sexual conduct."

Even before her decision came out, the NFLPA had sought to preempt a potential appeal. In a statement the night before she ruled, the union wrote that it would not exercise its right to appeal—and called on the NFL to do the same.

The league didn't take the bait. Goodell explained this month that the NFL sought to overturn her decision because Robinson agreed with the league on the substance of the case but that his conduct warranted a longer absence.

"We've seen the evidence," Goodell said. "She was very clear about the evidence, she reinforced the evidence that there were multiple violations here, and they were egregious, and it was predatory behavior."

The controversy surrounding Watson emerged early last year on multiple fronts. At around the same time that Watson sought a trade from the Houston Texans, the first of two dozen women filed a civil lawsuit against him.

As the accusations of sexual mis-

conduct snowballed, it presented an uncomfortable situation for Watson, the Texans and the NFL. Watson, who emerged as a superstar at Clemson where he led the team to a national championship, was one of the game's most marketable young players until the sexual misconduct allegations surfaced.

Last season, while the NFL launched its own investigation, he had yet to be formally disciplined. Meanwhile, the accusations scuttled a trade market that would otherwise be robust for a premier player at the game's most important position. Watson was ultimately paid to sit out every game of the season, appearing on the team's injury report each week as out and that it was "not injury related."

The landscape changed after the season when a Texas grand jury opted to not indict Watson—an event that seemed to make acquiring Watson palatable for the various teams who quickly raced to bid on him. The Browns ultimately won out, sending an enormous package that included three first-round picks to Houston. Shortly thereafter, a second grand jury also decided not to bring charges against him.

Cleveland's trade for Watson was heavily scrutinized not just because of the outstanding civil cases but

also because of the contract the team handed him. Watson received a groundbreaking, five-year deal worth a fully guaranteed \$230 million, and it was structured with a small base salary in the first season—which had the effect of minimizing any financial penalty for him if he were suspended for part of 2022.

In recent weeks, Watson has settled most of the civil cases against him, according to Tony Buzbee, the attorney representing the women. But Watson still faced the long-anticipated discipline from the NFL, which made a case that focused on a handful of allegations that the league believed contained the strongest evidence.

The settlement between the sides also includes various provisions, such as undergoing professional evaluation and treatment. In addition to Watson's fine, the NFL and the Browns will each also donate \$1 million to create a fund that educates young people on issues such as the prevention of sexual misconduct and assault.

When he returns to the field from his 11-game suspension, it will also likely be closely watched for another reason: The Browns play their 12th game of the season against the Texans—Watson's former team.

Jason Gay

Rod Carew, A Hitter for All Fields



Rod Carew! If you know, you know. If you don't: Carew is one of baseball's greatest hitters, a Hall of Famer and lifetime .328 hitter who made 18 All Star teams in a 19-year career with the Minnesota Twins and the California Angels. Now 76, Carew works with the Twins and maintains an active social-media presence through his Twitter feed (@RodCarew_29), a newsletter and a website selling shirts with slogans like "YOU SHIFT, I SHIFT"—an amusing commentary on 21st-century baseball strategy.

This conversation has been edited and condensed for clarity.

As we do this, the 2022 Major League batting average currently sits at .243, which would be the lowest since 1967. What is going on?

They're trying to get everyone to hit the ball out of the ballpark, whether they can do it or not. These kids aren't using their heads and understanding what kind of hitter they are.

Luis Arraez with the Twins started off good, hitting the ball all over the place. Then all of a sudden, he hit a few home runs, and started swinging up. I was in Minneapolis and I spoke with him: "What are you doing? Hitting six to seven home runs is not going to be of any value to you. Getting base hits and getting on base and scoring runs, that's where your game is. Don't fall into the trap

with these analytics, trying to lift the ball and hit home runs."

How did he respond?

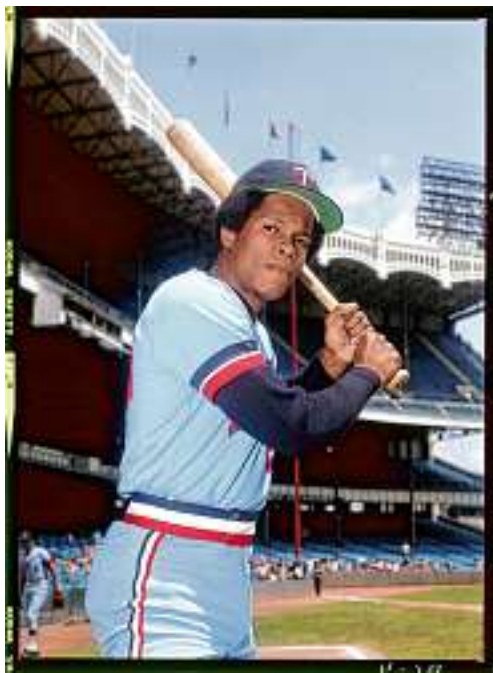
Well, the night that I talked to him about it, he went out and hit three fly balls, and I was upset. (Laughs) The next game, he hit a couple line drives. He didn't hit any fly balls. He's a great kid and he listens. (As of Thursday morning, Arraez was MLB's leading hitter, with a .335 average.)

So everyone knows what we're talking about: Batters have moved away from the type of all-fields, contact hitting you did. Whether it's because of the velocity of the pitching, or the analytic-driven defensive shifts, hitters are taught to focus on "launch angle"—the kind of swing that hits home runs, but also leads to strikeouts. And it isn't just in MLB.

I was watching a College World Series game and I noticed that everybody was trying to pull and get under the ball. I just sat there, saying to myself, *Don't these guys understand?* They don't know how to hit.

I would rather see kids learn how to track the ball. The baseball tells you what to do with it. I'm not going to swing up on a pitch that's high. I'm going to swing down, *through* the ball, because I have a better chance.

The inside pitch told me I've got to get my hands out and through the ball and try and pull the ball. The outside pitch dictated to me that I could keep that ball up the middle or go to left field.



Carew made 18 All Star teams in a 19-year career.

(Carew tells a story of Nolan Ryan striking him out repeatedly until he taught himself to lower his stance by taking batting practice while sitting on a swiveling stool.) "The third time that I faced him in Minnesota, he was yelling at me to stand up," he says. "I'm not going to let him force me to do what he wants."

You wrote in your newsletter that you raised some of your concerns with MLB commissioner Rob Manfred at a recent Hall of Fame event in Cooperstown.

We always try to talk to him about the game today—what's going on, all the changes. I talked about the rules and the softball rules they're putting into the game, having runners start at second base and stuff like that. I'm like, no. There's just too much stuff that's being changed, and the game is not being played the way

it's supposed to be played.

OK, but in fairness to today's hitters, the game is always evolving, with new challenges—the speed and depth of pitching in particular. Also: not everyone is Rod Carew!

You have to work at it. You can't keep striking out all the time. That's no fun. There are too many guys in the big leagues today that shouldn't be in the big leagues—offensively, no. Most guys don't have an idea how to get the runner over to third, because you can score from third in so many

different ways.

You were also incredible with bunting, another shrinking skill.

I remember the first game playing against the Orioles and (Twins teammate) Bob Allison told me I couldn't bunt against Brooks Robinson. Well, I did. And he says, "You can't do it again." I said, "I can do it whenever I want to," because it's something that I really worked on.

In 1977, you hit .388. Was there just something different about how you felt that season?

The ball just seemed like a beach ball. It seemed like the ball was slowing down and telling me, "Hit me, hit me, hit me."

Did you ever do film study?

(Newly inducted Hall of Famer) Tony Oliva and I were roommates and we had this little Bell & How-

ell camera, and we would try to film each other during the course of a game. Then we'd go back to the hotel, take a sheet off the bed, hang it up and play our at bats. Those are things that Tony and I talked about and we both had success doing it.

The bad thing about video today is a lot of kids look at themselves and want to correct everything. Pick out something, work on it and then something else, and maybe the next day, you go back and work on that.

You did a famous Sports Illustrated story with Ted Williams. Who were some other players you loved to talk hitting with?

Tony Gwynn. We used to talk a lot and we'd exchange ideas, especially after the Twins traded me to the Angels. I was in spring training in Arizona and he would always come out and watch me take batting practice and he would ask me questions. We became good friends and that's all we talked about—hitting.

In 2016, you had a heart and kidney transplant, the donor was a late former NFL player, Konrad Reuland, who grew up not far from you, and you'd met when he was a child. How are you feeling these days?

I'm doing good, actually. The last checkup I had with my doctors, they told me that I had a Rolls-Royce in my chest and it's roaring. Everything is going good. I feel good and I thank the young man that gave me his heart. Because of him, I'm alive today.

I need to know how you would've handled your fellow Panama native Mariano Rivera at the plate.

He couldn't get me out with the cutter. My hands are too quick! (Laughs) I wouldn't let him get in there.

OPINION

Toe to Toe With Eric Holder



POTOMAC WATCH
By Kimberley A. Strassel

The first step in solving a problem is recognizing you have one. Republicans have belatedly identified a big one of theirs, which goes by the name Eric Holder. Let the state supreme court campaigns begin.

As the Beltway media fixates on who will control the House and Senate, the Republican State Leadership Committee is newly focused on the state judges who increasingly set the election ground rules. The organization—charged with electing down-ballot state-level Republicans—announced in February it will spend more than it ever has this year on state court races. Among its targets are the highest courts in Illinois, Michigan, North Carolina and Ohio. The goal: conservative majorities that will serve as the final judicial word on issues from redistricting and public safety to abortion and election laws.

The GOP's fresh focus on this battle is an admission—spelled out in a February RSLC strategy memo—that the former attorney general outfoxed it. Since leaving the Justice Department in 2015, Mr. Holder worked to undo the damage his boss, Barack Obama, did to Democrats in 2010. That's when Republicans won some 1,000 down-ballot legislative seats, putting it firmly in control of the redistricting process

that followed. Mr. Holder created the National Democratic Redistricting Committee with the goal of wresting back Democratic control over gerrymandered maps.

Mr. Holder's campaign to retake state legislatures has largely flopped. Despite Democrats' spending more than a half a billion dollars on the project in the 2020 elections, Republicans held all 59 of their legislative majorities and flipped both New Hampshire chambers. But what Mr. Holder understood—and Republicans initially didn't—is that legislatures aren't the last word on legislative maps. Courts are.

In 2015 Democrats plowed millions into three seats on the Pennsylvania Supreme Court and changed the balance of power. Democrats then sued over the district map that had been in place since 2011, and in 2018 the state high court replaced it with one more favorable to their party. Rinse and repeat in North Carolina, where the Holder forces in 2018 and 2020 helped retain a Democratic majority, which redrew maps to favor Democrats. Liberal groups spent heavily to capture Michigan's high court, as a backstop in case the state's "independent" redistricting commission failed to stack the deck in their favor. This is the Democrats' "sue to blue" strategy, and it's the reason Republicans came out of the most recent redistricting fight with a black eye, despite doing well in 2020.

The importance of state-court elections has grown

since the U.S. Supreme Court ruled in 2019 that gerrymandering is a political issue, not reviewable by federal courts. That puts state legislatures—or state courts—in control. Republicans also understand they can no longer afford to pay attention to court control only at census time. Activist courts have proved willing to entertain lawsuits to throw out

Republicans, with an eye on redistricting, play catch-up in state high court elections.

maps at any point in the 10-year cycle. Add the U.S. Supreme Court's renewed focus on federalism—including the return of abortion to the states—and the state-court stakes grow ever higher.

The RSLC began playing catch-up in early 2019, when it went all in to block a Democratic attempt to flip the majority on the Wisconsin Supreme Court. That court, after protracted litigation (and a U.S. Supreme Court scolding), this spring rejected attempts to override the Republican Legislature's map. This rare bit of judicial modesty set Mr. Holder to complaining it amounted to the "destruction of true representative democracy."

This year's GOP efforts include Ohio, where Republicans still hold a narrow high-court majority (4-3) but have suffered a string of defeats in

recent years. The parties are waging a particularly fierce fight over the seat of retiring Chief Justice Maureen O'Connor, a Republican who spent this year siding with the Democratic minority to throw out GOP redistricting maps. Then there's North Carolina, where Republicans see a chance to capture at least one of two Democratic seats and flip control.

Republicans also see a shot to retake the narrowly divided Michigan Supreme Court, which they lost two years ago. And the RSLC will even be playing to capture two seats on the Illinois Supreme Court, which has a 4-3 Democratic majority. That opening came after Illinois redrew its judicial districts for the first time in nearly 60 years, which has made the two races surprisingly competitive.

Not that any of this will be easy. Democrats have an army of activist groups and donors that reliably pour money into state legislative and court races; the GOP is often left to punch above its weight. The RSLC also has its hands full defending its sizable number of legislative majorities while eyeing chambers in a few tougher states, like the Minnesota House and the Colorado Senate.

In the end, the GOP's state-court chances may come down to the size of the Republican midterm victory this fall—if there is one. Another reminder to Republicans of how much they have to lose if they whiff this election cycle.

Write to kim@wsj.com.

BOOKSHELF | By Henry Hitchings

Another Word For Digression

Strange to Say

By Deborah Warren
(Paul Dry, 194 pages, \$16.95)

To investigate the history of a word is to reveal hidden lives. Etymology involves sniffing out words' origins and tracing their development, and its pleasure is that of being at once archaeologist and gourmet. But not all that it discloses is pleasant, and before setting out with one's excavation kit it's worth heeding the Scottish poet Don Paterson: "Words are locked tombs in which the corpses still lie breathing."

Deborah Warren, a poet herself and a native of Massachusetts, revels in language at its most pungently imperfect. Her poems often celebrate clutter; in one of the best, she reflects that "the stained and rumpled things / in steamer trunks and duffles are a life." Her curiosity and embrace of the unpredictable, as well as her delight in both the archaic and the homespun, animate "Strange to Say," a tour of English that savors the language's mutability. "A word is not a snapshot but a millennia-long video," she writes, in the manner of an artist plotting an ambitious exhibit—though in an earthier moment she suggests that words "ooze along like blind amoebae."

In 34 short chapters, Ms. Warren probes the vocabulary of weighty subjects (religion, death, politics) and lighter ones (dogs, flowers, mirth). Her approach is quirky: Musing on children and words such as "kidnapping" (originally "kid-nabbing"), she somehow touches not only on dolls and

trigger warnings but also on arthritis and the Miranda rights recited to persons under arrest. Aware of her penchant for digressions, she quips about her use of a "sub-sub-parentthesis" and at one point concedes: "But we've gotten far afield. The topic was horses." Lexical tidbits are a means of introducing passions and peevishness—the word "incidentally" is a favorite.

Ms. Warren tends to move quickly. A not untypical segue looks like this: "*Bagel*, too, has a Germanic source, *beygl* being Yiddish for 'ring.' (A propos of jewelry and Germany, Göring kept a bowl of diamonds on his desk to play with as worry beads.)" Rather than dwell on the desktop amusements of the notoriously extravagant Nazi leader, she hurtles on: "Denmark gave us the *Danish*, a pastry which they should have kept. The world is richer, on the other hand, for the French *croissant* = a 'crescent,' Latin for 'increasing,' like a crescent moon or a *crescendo*."

She has an unusual fondness for introducing an aside with "à propos," but it's nothing compared with her enthusiasm for "speaking of," which she deploys every three pages or so. For instance, after mentioning absinthe and its emerald hue, in a chapter on liquor that deals briskly with gin, vodka and brandy, she continues: "Speaking of colored alcohol, that's what's inside a *spirit level* (which sounds like a cheerleading parameter)." In conversation this might work, yet in print it's an ungainly way of shifting focus, even if less jarring than some of her others: "I've been rambling on about family names. Now several pages on kinship terms"; or: "Rev up the time machine again and get off at the eighteenth century."

Every chapter contains curious snippets—many, of course, linguistic. Did you know that the Dutch, rather than counting their chickens before they've hatched, sell the fur before the bear is shot? Or that "lavender" and "laundry" have the same root—until the 16th century, "laundry" was spelled "lavendry"? Yet often it's the tangential detail that proves most toothsome: It was novel to me that Attila the Hun died of a nosebleed; that the urine of syphilitics being treated with mercury was once prized by manufacturers of felt hats; and that the Wisconsin Department of Natural Resources will fine you \$8.75 for killing a squirrel with a slingshot.

Pondering words and their origins may lead to thoughts about Danish pastries, star-nosed moles, felt hats, laundry and Attila the Hun.

No one could accuse Ms. Warren of being uninformative. Or indeed of muffling her opinions. She has strong views on specific words ("incentivize" is abhorrent, the name Grace "God-awful"), as well as on broader topics in language (the "boring" nature of WASP names). And she's just as happy to pronounce on more rarefied matters, such as the hideousness of the star-nosed mole or the sour mien of the German philosopher Hegel, who "appears to have been weaned from his mother's breast directly onto a pickle."

Food, an especially juicy subject for word nerds, draws forth some of her starkest judgments. "I personally would blot Scandinavia off the culinary map," she declares. Pickled herring is to blame. Among other items she regards with horror are hominy grits (which apparently resemble "the result of an intestinal disorder") and Christmas fruitcake ("this object doesn't justify its footprint on any shelf"). A meditation on the humble potato is an opportunity for digs at Dan Quayle, who once famously struggled to spell the word; at Bob Ney, the Ohio congressman so incensed by France's reluctance to support the 2003 invasion of Iraq that he insisted "French fries" should be known as "freedom fries"; and at the British, who, not content with calling French fries "chips," rudely associate their near neighbors with less palatable fare—French letters, French leave, the French disease.

"Strange to Say" is full of interesting material. Perhaps too full. Ms. Warren's factoids, notes and aperçus lack elbow room. She has little to say about the groups or individuals who have been the vectors of the many words imported into English from other tongues. But readers with an appetite for verbal oddities and a yen for the unorthodox will enjoy her animal diversions—whether on the word "wellness," which is "not a term used by the best people," or on the deathly euphemism "to pass on," which insinuates the genteel into a realm that she'd sooner treat with irreverence.

Mr. Hitchings is the author of "The Secret Life of Words: How English Became English."

Coming in BOOKS this weekend

Vienna's faded splendor • The Holocaust in Latvia • The higher math as intellectual pleasure • Born on the bayou: The sound of Creedence Clearwater Revival • Ralph Vaughan Williams • Sam Sacks on fiction • & more

A Messy Methodist Schism

HOUSES OF WORSHIP
By Mark Tooley

Theological schisms are never pretty. The United Methodist Church—America's third-largest religious body, with over 6.2 million members—is in the thick of its own over its teachings on sexuality. Hundreds of congregations have voted to leave the denomination, which had 13 million members worldwide as of 2020, and thousands more likely will. On Aug. 7, United Methodism's second- and seventh-largest churches by attendance, both in the Houston area, voted to quit the denomination.

What brought United Methodism to this divide was its decision-making body's 2019 "Traditional Plan"—a document that affirmed its ban on same-sex marriage and mandated that all clergy be celibate if single and monogamous if married. That sets the church apart from nearly every other mainline Protestant denomination. The traditionalists won thanks to votes from conservative African delegates, whose churches have grown by millions even as the U.S. has declined by nearly the same magnitude.

When liberal-leaning U.S. bishops and clergy chafed at complying with the plan, a compromise was born. In early 2020 conservative and liberal church leaders announced a "Protocol of Reconciliation and Grace Through Separation." The protocol allowed each congregation to vote its preference between a more traditional or more liberal denomination—and was expected to be approved at the General Conference's quadrennial assembly in Minneapolis

that year. But then Covid arrived, and the convention was postponed three times, to 2024. The decision left many traditionalists feeling betrayed and exasperated. In May of this year, those who couldn't wait any longer launched the Global Methodist Church—a traditionally conservative denomination, led by the Rev. Keith Boyette.

Now some congregations are weighing whether to join this Global Methodist Church. Local church properties are owned by the denomination through state-level conferences. The 2019 General Conference approved a temporary policy allowing congregations to leave with property by paying two years' worth of "apportionments" to the national church, plus clergy pension liabilities. Those exits must happen by December 2023.

Between 2019 and 2021, 167 congregations exited. When the 53 local annual conferences met this spring, they ratified 305 additional exits from 24 conferences. At least 11 conferences will host special sessions later this year to ratify reportedly 1,000 more. Additional thousands are expected next year as congregations scramble to meet the 2023 deadline. (There are about 30,000 United Methodist churches nationwide.) Complicating the process are more firmly liberal conferences that are adding extra payments to churches' exits. Some conferences with more sympathetic conservative leadership have reduced payments by applying millions of dollars in their reserves toward the exit fees.

The messiest departure so far has been in the Florida conference, where 106 congregations

(roughly 20% of the state's membership) are jointly suing the bishop for charging exorbitant exit fees. They believe they're being held for "ransom." Their litigation also alleges that their bishop isn't upholding denominational law about sexuality. One Florida minister, the congregations point out, has openly conducted six same-sex weddings. The bishop himself attempted to ratify two openly gay clergy in June but failed to achieve the 75%

Hundreds of local congregations have left the church over teachings on sex.

threshold needed from Florida clergy. This litigation complains of wider defiance of church law, citing the 2016 election of an openly lesbian bishop in the church's west-fern jurisdiction and a drag queen candidate for ordination in Illinois.

Meanwhile, United Methodist leaders in Africa remain committed to the church's conservative teachings. They are waiting for the General Conference's convention in 2024, which they hope will ratify the church's protocol for separating the denomination into liberal and conservative branches. It's unlikely many of them would stay in a denomination that liberalizes on sex. While most of Africa's Methodists will likely join the Global Methodist Church, some may be tempted by autonomy.

That temptation could apply to many congregations in the U.S. fed up with denominational

bureaucracy. Congregationalism defies Methodism's more connectional tradition, which has typically featured bishops' appointing pastors to churches.

Challenging both United Methodism and the Global Methodist Church are declining denominational interests among American Christians. While most historical denominations are declining, nondenominational churches in the U.S. are growing.

Working against this drift are 60 traditionalist theologians who met in Alexandria, Va., in January to craft a 25,000-word articulation of "classic" Methodist doctrine. Rooted in the teachings of 18th-century founder John Wesley, their statement ("The Faith Once Delivered") is broken into six sections and addresses the nature of God, creation, revelation, salvation, the church and eschatology.

Promoting a specific Protestant tradition over generic nondenominational evangelicalism in America will be difficult. United Methodism has lost five million members in the U.S. since 1968 and will lose millions more. Mainline Protestantism has been sidelined—and it will take years for United Methodism's schism to resolve.

The hope of traditional American Methodists is that once freed from denominational bureaucracy, they'll be able to grow anew—as their peers in Africa are doing, and as America's early Methodists did. Americans hoping for revived spirituality and civil society ought to wish them well.

Mr. Tooley, a United Methodist member, is president of the Institute on Religion and Democracy.

I Still Root for the Underdog Yankees

By Fay Vincent

My earliest memory of the New York Yankees was when they defeated the Brooklyn Dodgers in the 1947 World Series. That team had a local flavor for me, as Frank "Spec" Shea, a rookie Yankee pitcher, was from my part of Connecticut. He went 14-5 that season and won two games in the World Series—which made me a Yankee fan because 9-year-old kids like winning.

My Irish father, a Philadelphia Athletics fan, believed that rooting for the Yankees was like rooting for the rich. Given the team's 11 World Series titles—now 27—it was hard to disagree.

The Yankees, however, are having a bad time these days.

They began the 2022 season with a superb first half, but things have turned sour. Of the last 34 games, the Yankees have lost 22. Aaron Judge, the Yankee version of Paul Bunyan, has hit 46 homers, but it isn't helping.

Failure is a harsh reality of life, but it's not a moral failing.

I listened last Monday night to a postgame interview with Aaron Hicks. The 32-year-old Yankee center fielder had gone hitless and misplayed a routine fly ball. His glum efforts to explain how he felt after having such a miserable game, and what he was going to do

to break out of his hitting and fielding slumps, reminds us that failure has been a core aspect of human nature since the unfortunate episode over the apple in the Garden of Eden. What distinguishes players like Mr. Hicks is his willingness to try to explain failure when he knows it can't be done. And that he makes \$10.5 million a year, with a contract through 2025.

Major-league players are well paid and cosseted. But baseball is a cruel game because hitting a baseball is a difficult and sublime physical challenge. So few can do it well that the game pays those with that talent millions of dollars. And then publicizes their successes to enormous acclaim while disciplining failures with the postgame torture inflicted

upon Mr. Hicks.

I have never met Mr. Hicks, but his gutsy performance with the press causes me to admire him. He has gone 2 for 18 at the plate in his past five games and was benched Tuesday. He may rise again, but then he may not. I admire the underdogs in life, and baseball creates underdogs quickly.

I will root for Mr. Hicks to find his batting swing again soon. Having some bad times at baseball is not a moral failing. We old men who love the game know the harsh realities of life, which is not a game. Yes, failure is the daughter of defeat and may be the mother of success. But not always.

Mr. Vincent was commissioner of baseball, 1989-92.

OPINION

REVIEW & OUTLOOK

The Centers for Disease Politics

Regrets, Rochelle Walensky has a few, though apparently too few to specify. Amid bipartisan criticism over her agency's bumbling virus response, the Centers for Disease Control and Prevention director said Wednesday she'll reshuffle the bureaucratic deck with an emphasis on "action" and "equity." Her diagnosis and prescription are both wrong.

Not much of the U.S. government works well these days, but the CDC once had a reputation for excellence. Covid blew that up. Its bureaucracy, with 11,000 employees and some two dozen divisions, impeded a rapid and effective response to the virus.

* * *

One problem is that bureaucracies always seek to expand their power and reach, often at the expense of their core mission. The CDC is no exception as it has sought to address social and environmental issues that are better left to the states or other agencies. Meantime, it has failed in its core responsibility, which is to track diseases, collect data to inform decision-making, and deploy resources to support local public-health responses.

At the start of the pandemic when public officials were blind to the virus spread, CDC employees failed to follow standard lab operating procedures and contaminated Covid tests. Even after the agency realized its blunders, it refused to share virus samples with private commercial labs to help develop and deploy tests.

As our contributor Scott Gottlieb explained in his book "Uncontrolled Spread," agency scientists took a proprietary interest in their intellectual property: "Companies seeking to make the test kits described extended negotiations with the CDC that stretched for weeks as the agency made sure that the contracts protected its inventions."

This culture of control has hamstrung the CDC's response in other ways. During the early months of pandemic, the CDC struggled to set up technical systems to analyze and share data. Some hospitals had to fax in information. Frustrated by the CDC's pace, Health and Human Services Department leaders seized control of the Covid data in summer 2020.

Democrats accused the Trump Administration of politicizing the CDC, but HHS's seizure made data more transparent. The CDC now posts more Covid data, but often late and it omits critical information. Instead of publishing raw data for outside scientists to analyze, the CDC often only releases studies that support its policies, such as mask mandates.

Politics drives many CDC decisions, includ-

ing one last spring not to collect information on breakthrough Covid cases lest this show declining vaccine efficacy. Its school reopening guidance was written in part by American Federation of Teachers chief Randi Weingarten.

Most egregious was its eviction moratorium. The eviction ban was first imposed under Donald Trump, but the Biden Administration repeatedly extended it based on dubious science that purported to show it reduced the virus spread. The Supreme Court eventually ruled it illegal. The CDC's usurpation of Congress and states continued with its illegal mask mandate on public transportation, also based on thin science.

The agency's public guidance is often confusing. But the larger problem is that its recommendations are seemingly arbitrary and don't acknowledge scientific uncertainty. The agency has also been slow to adjust its guidance. Last spring it was still advising the unvaccinated to wear masks outdoors.

While failing at its core responsibility, the CDC has stretched its powers and mission. Consider a CDC study in May, which attributed increased gun violence in 2020 among young, black men in part to "longstanding systemic inequities and structural racism." Its suggested remedy: More government transfer payments.

* * *

Dr. Walensky now plans to make the agency more "action-oriented." But the CDC's problem isn't inaction. It has taken wrong and often counter-productive actions, including support for lockdowns and other government coercion. (See John Tierney nearby.)

Ms. Walensky commissioned a review of her agency in the spring, and it's ironic that she hasn't made it public since one criticism is the CDC's lack of transparency. Instead she has released boiler-plate recommendations such as "promote results-based partnerships," "translate science into practical, easy to understand policy," and "prioritize public health communications."

More spending is Dr. Walensky's other proposed remedy. The agency received a 7% raise this year, but she wants more for a new office of "equity" to increase workforce diversity and improve communications with minority groups. Isn't that what the CDC's Office of Equal Employment Opportunity and Office of the Associate Director for Communication already do?

It's hard to believe the U.S. would have handled Covid worse if the CDC didn't exist. The agency needs to shrink and focus on its central mission: Tracking and helping to stop disease.

environmental reviews, including an analysis on the climate effects of incremental drilling, which might take two years.

The suspicion is always that such settlements are collusive: A green group sues, and the Biden Administration settles to get a policy it favors anyway, without the benefit of political accountability. Taxpayers who favor drilling get no say, and politicians argue they were merely following a court order.

Separately, a federal judge in Montana last week reinstated a 2016 moratorium on new coal leasing, saying that the policy's reversal under the Trump Administration didn't include the right environmental reviews. Both of these cases involved the 1970 National Environmental Policy Act, or NEPA for short.

Federal approvals are one side of permitting reform, but these lawsuits are the bigger problem. Even if a Democratic administration approves a permit, green groups will sue to block it using the vague NEPA standards that were written a half century ago and desperately need to be updated.

If Mr. Manchin's permitting changes don't include substantive limits on NEPA lawsuits, they won't be worth much in practice. And the West Virginian will look like he's been taken for a ride by fellow Democrats—or that he took his state's voters for the ride.

Permitting Reform? 'I Didn't Shake Hands'

Now that President Biden has signed his party's tax, climate and IRS bill, Sen. Joe Manchin's narrative is that a grateful Democratic Congress will move to repay his vote with permitting reforms. That's what party leaders promised, he says. Yet the West Virginia Senator's leverage is already gone.

Democratic Rep. Raul Grijalva is saying he feels no "obligation" to support a permitting payoff for Mr. Manchin. "I didn't shake hands," he told the Hill newspaper. "I wasn't part of the negotiations." Mr. Grijalva added that he and a handful of colleagues intend to ask that permitting changes be brought up in the House for a separate vote, not tied to the next government funding bill that could be a vehicle for reform to get past progressives.

How Mr. Manchin navigates this is unclear. If his permitting package is real, how does he expect it will get through this Congress? Given the thin Democratic House margin, Mr. Grijalva and a handful of other Democrats might be enough to cause trouble. Yet to win over Mr. Grijalva and company, the reform deal would need to be extraordinarily weak.

The dire need for permitting reform is news that stays news. Last week the Bureau of Land Management entered a settlement with green groups that will pause oil-and-gas leasing on 2.2 million acres in Colorado. The feds will do more

Citizens United Bought . . . Nothing?

According to progressive demonology, the Supreme Court's 2010 ruling in *Citizens United v. FEC* unleashed corporate election spending, allowed fat cats to buy politicians, and turned the U.S. into an oligarchy, more or less. This is a canard, and further proof is a new study that sifts data to see if *Citizens United* had any effect on state tax policy.

The answer is no. "Ten years after the ruling and for a wide range of outcomes, we are not able to identify economically or statistically significant effects of corporate independent expenditures on state tax policy, including tax rates, discretionary tax breaks, and tax revenues," the study says. If billionaires were able to buy elections to lower state taxes, you'd think they would have done it by now.

The study, published by the National Bureau of Economic Research, was conducted by three academics in the University of California system. Previous research has suggested that *Citizens United* increased political advertising. At the time of the ruling, the authors write, "23 states had laws that banned corporations from spending in state elections." The Supreme Court's decision "effectively invalidated these laws," creating a natural experiment.

So what happened? Well, nothing, at least

as far as state taxes are concerned. States modify their taxes all the time, but those affected by *Citizens United* didn't act noticeably different from the baseline. "Overall, we can rule out tax decreases or increases that are larger in magnitude than average tax changes," the authors say. The story is similar on tax revenues and incentives.

This kind of evidence is persuasive because tax policy affects the bottom line, so companies really care about it and they generally pull in the same direction. Careful academics that they are, the study's authors caution that they can't rule out small, marginal effects. Or maybe *Citizens United* wasn't a turning point for taxes because those 23 state laws weren't actually effective at limiting corporate influence in the first place.

But the authors are clearly skeptical of the obsession with the Supreme Court's ruling. "Its critics warned of devastating impacts from independent spending by corporations," they write. "The New York Times mentioned *Citizens United* in 580 articles over the next two years—an average of 0.8 articles per day!" In reality, the Supreme Court's ruling was about free political speech, and the public can always make up its own mind. Voters are rarely as hypnotized by campaign ads as progressives think.

LETTERS TO THE EDITOR

I Like ESG—but Not for the Reason You Think

As a private, independent oil and gas producer, I support environmental, social and governance investing by the public oil and gas companies ("The ESG Backlash Arrives," Review & Outlook, Aug. 16). When combined with ever-increasing regulations, ESG investing reduces investments in domestic oil and gas exploration and production. The lower spending cuts available supplies of domestic oil and gas, which drives prices higher.

As a small producer, I am a price taker with no impact on market prices. I just ride the roller coaster of the industry's inevitable boom and bust cycles. So I would like to thank the woke asset managers, such as BlackRock, for contributing to rising oil and gas prices.

BILL DUTCHER
Chairman, Anadarko Minerals
Norman, Okla.

Lost in your criticism of BlackRock's ESG initiative is that it is also a product of the free market. Investors—including the Arizona attorney general's pension funds—are free to invest in BlackRock, or not, as they wish. ESG-oriented funds exist because there is a demand for them. If there is no such demand, they will fail.

To limit the permissible goals of investing to "the best financial returns possible" in willful ignorance of

how those returns are generated is to abdicate fiduciary responsibility, not fulfill it. There is more than one kind of return on investment, and truly free markets allow them to be realized. To do otherwise would constitute the very "political allocation of capital" the editorial board fears.

KEITH MCWALTER
Granville, Ohio

ESG is difficult to explain, hard to understand and impossible to quantify accurately. I think the postulates that BlackRock CEO Larry Fink expounds are a hocus-pocus. Ultimately, the fiduciary responsibility of CEOs and directors is to represent and serve the best interests of shareholders. CEOs are hired help, regardless of how swollen their halos are.

B.J. KHALIFAH
Grosse Pointe Park, Mich.

My company offers only two 401(k) investment options in 100% U.S. equity funds. The other day, I went to move my money out of the BlackRock index fund and into the other one. Unfortunately, the other fund has allocated more than 25% of its investments in two BlackRock funds. Well, at least 75% of my dollars are somewhere else.

RICH O'TOOLE
Naperville, Ill.

What Rushdie Understood About Free Speech

Almar Latour's evocative op-ed on the "bitter irony" that Salman Rushdie should have been brutally attacked at the Chautauqua Institution ("A Stabbing at Chautauqua," Aug. 13) recalls for me the efforts I and others made to ensure protection for Mr. Rushdie at his first U.S. public speech after the 1989 fatwa. Almost three years later, Mr. Rushdie was invited to an event sponsored by Columbia University's Graduate School of Journalism. To our delight and surprise, he accepted.

We spoke first to one of the leading private entities that provides protection for people at risk of harm. Its response was unequivocal: It could not provide meaningful protection for someone that a foreign nation, Iran, was seeking to kill. When I

asked who could protect Mr. Rushdie, it responded that only the New York Police Department could do it. And so the police did that night, with skill and dedication.

At the Low Library at Columbia University on Dec. 11, 1991, Mr. Rushdie spoke about how he had already "spent over a thousand days" at continuing risk of assassination. He quoted one of his "Islamic extremist opponents" as saying, "Free speech is a nonstarter," and recalled his response: "No, sir, it is not. Free speech is the whole thing, the whole ballgame. Free speech is life itself."

FLOYD ABRAMS
New York

Mr. Abrams, the author of "The Soul of the First Amendment," has argued 13 cases before the U.S. Supreme Court.

How the Gender Pay Gap Sets In, Compounds

Regarding "Gender Pay Gap Starts Early" (Page One, Aug. 9): We see this trend to an extreme in health-care, where nine in 10 of the best-paying medical specialties are male-dominated. This problem starts with insurers, who reimburse physician time in those nine specialties at higher rates than in other specialties. For example, surgeons, three-quarters

of whom are male, receive substantially higher reimbursements from payers than neonatologists, more than half of whom are female.

While there may be some differences in hours worked and years of training, the reimbursement differentials aren't justified by those differences. It's the structural issue of how we pay for medicine that trickles down into employer salary decisions, compounding the problems of pre-conceptions about women's professional possibilities. It is important to note that this financial penalty compounds year after year and the cumulative differences can be staggering.

New Replacement for GDP? It Is Easier Said Than Done

In "Recession Fears May Not Pass GO" (op-ed, Aug. 10), Mark Skousen argues for using gross output, or GO, as a more reliable indicator of economic growth than gross domestic product.

I fail to see how GO, "which measures spending at all stages of production, including the supply chain," can avoid double-, triple- or even quadruple-counting the economic value of what is ultimately produced. Perhaps I'm being obtuse, but I don't see how Mr. Skousen would address the strong possibility of overvaluing the real measure of economic value in the final analysis. There are too many moving parts in the economy between sourcing raw materials (physical or intellectual) and arriving at a reliable measure of value for what is actually produced.

SETH TAYLOR
Chatham, Mass.

Treat PE Like All the Others

In "There Is No Bright Line on Carried Interest" (op-ed, Aug. 16), Mitchell Petersen writes of a restaurant owner who pays wages to himself, which are taxed as ordinary income, and then sells the restaurant and pays a capital-gains rate on the difference between the sale price and initial investment. Prof. Petersen writes that "sweat equity" justifies the favorable capital-gains-tax rate.

For private equity, the logic is the same. Fund managers should pay ordinary income-tax rates for their management of other people's money, and, if the firm is sold, they should pay capital gains on the difference between the sale price and their initial investment. What's good for the restaurateur is good for the fund owner.

PROF. JAMES CIECKA
DePaul University
Chicago

A Question of Representation

A letter writer (Aug. 16) asserts that Rep. Liz Cheney's job "is to represent the thinking as well as interests of her constituents." He could not be more wrong. She is not a seismograph to record public opinion. If she were, her job could be done by a computer. Members of Congress are expected to exercise their best judgment, and that is what she did.

DONALD ROTUNDA
Orange, Calif.

Pepper ... And Salt

THE WALL STREET JOURNAL



"So I'm like an emotional support animal, right?"

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

OPINION

Fauci and Walensky Double Down on Failure

By John Tierney

The Centers for Disease Control and Prevention belatedly admitted failure this week. “For 75 years, CDC and public health have been preparing for Covid-19, and in our big moment, our performance did not reliably meet expectations,” Director Rochelle Walensky said. She vowed to establish an “action-oriented culture.”

Lockdowns and mask mandates were the most radical experiment in the history of public health, but Dr. Walensky isn’t alone in thinking they failed because they didn’t go far enough. Anthony Fauci, chief medical adviser to the president, recently said there should have been “much, much more stringent restrictions”

Lockdowns were oppressive and deadly. But U.S. and WHO officials plan worse for the next pandemic.

early in the pandemic. The World Health Organization is revising its official guidance to call for stricter lockdown measures in the next pandemic, and it is even seeking a new treaty that would compel nations to adopt them. The World Economic Forum hails the Covid lockdowns as the model for a “Great Reset” empowering technocrats to dictate policies world-wide.

Yet these oppressive measures were taken against the longstanding advice of public-health experts, who warned that they would lead to catastrophe and were proved right. For all the talk from officials like Dr. Fauci about following “the science,” these leaders ignored decades of research—as well as fresh data from the pandemic—when they set strict Covid

regulations. The burden of proof was on them to justify their dangerous experiment, yet they failed to conduct rigorous analyses, preferring to tout badly flawed studies while refusing to confront obvious evidence of the policies’ failure.

U.S. states with more-restrictive policies fared no better, on average, than states with less-restrictive policies. There’s still no convincing evidence that masks provided any significant benefits. When case rates throughout the pandemic are plotted on a graph, the trajectory in states with mask mandates is virtually identical to the trajectory in states without mandates. (The states without mandates actually had slightly fewer Covid deaths per capita.) International comparisons yield similar results. A Johns Hopkins University meta-analysis of studies around the world concluded that lockdown and mask restrictions have had “little to no effect on COVID-19 mortality.”

Florida and Sweden were accused of deadly folly for keeping schools and businesses open without masks, but their policies have been vindicated. In Florida the cumulative age-adjusted rate of Covid mortality is below the national average, and the rate of excess mortality is lower than in California, which endured one of the nation’s strictest lockdowns and worst spikes in unemployment. Sweden’s cumulative rate of excess mortality is one of the lowest in the world, and there’s one particularly dismal difference between it and the rest of Europe as well as America: the number of younger adults who died not from Covid but from the effects of lockdowns.

Even in 2020, Sweden’s worst year of the pandemic, the mortality rate remained normal among Swedes under 70. Meanwhile, the death rate surged among younger adults in the U.S., and a majority of them died from causes other than Covid. In Sweden, there have been no excess



White House adviser Anthony Fauci and CDC Director Rochelle Walensky.

deaths from non-Covid causes during the pandemic, but in the U.S. there have been more than 170,000 of these excess deaths.

No one knows exactly how many of those deaths were caused by lockdowns, but the social disruptions, isolation, inactivity and economic havoc clearly exacted a toll. Medical treatments and screenings were delayed, and there were sharp increases in the rates of depression, anxiety, obesity, diabetes, fatal strokes and heart disease, and fatal abuse of alcohol and drugs.

These were the sorts of calamities foreseen long before 2020 by eminent epidemiologists such as Donald Henderson, who directed the successful international effort to eradicate smallpox. In 2006 he and colleagues at the University of Pittsburgh considered an array of proposed measures to deal with a virus as deadly as the 1918 Spanish flu.

Should schools be closed? Should everyone wear face masks in public places? Should those exposed to an infection be required to quarantine at home? Should public-health officials rely on computer models of viral

spread to impose strict limitations on people’s movements? In each case, the answer was no, because there was no evidence these measures would make a significant difference.

“Experience has shown,” Henderson’s team concluded, “that communities faced with epidemics or other adverse events respond best and with the least anxiety when the normal social functioning of the community is least disrupted.” The researchers specifically advised leaders not to be guided by computer models, because no model could reliably predict the effects of the measures or take into account the “devastating” collateral damage. If leaders overreacted and panicked the public, “a manageable epidemic could move toward catastrophe.”

This advice was subsequently heeded in the pre-Covid pandemic plans prepared by the CDC and other public-health agencies. The WHO’s review of the scientific literature concluded that there was “no evidence” that universal masking “is effective in reducing transmission.” The CDC’s pre-2020 planning scenarios didn’t recommend universal

masking or extended school and business closures even during a pandemic as severe as the 1918 Spanish flu. Neither did the U.K.’s 2011 plan, which urged “those who are well to carry on with their normal daily lives” and flatly declared, “It will not be possible to halt the spread of a new pandemic influenza virus, and it would be a waste of public health resources and capacity to attempt to do so.”

But those plans were abruptly discarded in March 2020, when computer modelers in England announced that a lockdown like China’s was the only way to avert doomsday. As Henderson had warned, the computer model’s projections—such as 30 Covid patients for every available bed in intensive-care units—proved to be absurdly wrong. Just as the British planners had predicted, it was impossible to halt the virus. A few isolated places managed to keep out the virus with border closures and draconian lockdowns, but the virus spread quickly once they opened up. China’s hopeless fantasy of “Zero Covid” became a humanitarian nightmare.

It was bad enough that Dr. Fauci, the CDC and the WHO ignored the best scientific advice at the start of this pandemic. It’s sociopathic for them to promote a worse catastrophe for future outbreaks. If a drug company behaved this way, ignoring evidence while marketing an ineffective treatment with fatal side effects, its executives would be facing lawsuits, bankruptcy and probably criminal charges. Dr. Fauci and his fellow public officials can’t easily be sued, but they need to be put out of business long before the next pandemic.

Mr. Tierney is a contributing editor to City Journal and a co-author of “The Power of Bad: How the Negativity Effect Rules Us and How We Can Rule It.”

America’s Industrial Base Isn’t Ready for War With China

By Elbridge A. Colby
And Alexander B. Gray

The war in Ukraine should galvanize Washington policy makers. It has demonstrated that America’s defense-industrial base isn’t up to the job of supplying the U.S. military with weapons for a prolonged conventional conflict with a major power such as China. Production lines for Stinger and Javelin missiles destined for Ukraine are stretched to capacity, with critical components no longer produced in sufficient quantity to meet demand.

The industrial competencies required for sustained conventional warfare have atrophied. In 2018 the Trump administration identified nearly 300 significant gaps across 10 “risk archetypes” in the defense industry, such as reliance on a foreign supplier, that could directly undermine the U.S. military’s ability to fight a major war. The causes of these gaps vary and are subject to debate. They range from the general

decline of domestic manufacturing to Congress’s failure to ensure a predictable defense-funding cycle and from the predatory industrial policies of other nations to an assumption that America’s future wars would be quick and decisive. Whatever the causes, the status quo is profoundly dangerous.

A war between the U.S. and China may be looming. If it happens, no one should assume it will be short. To deter and, if necessary, prevail in such a conflict, the U.S. needs a top-tier military that can be sustained, repaired and resupplied. There is every reason to believe a conflict over Taiwan would result in substantial attrition of U.S. resources. To prevail in such a context, America’s domestic industrial base will need to crank out real-time replacements for critical air, naval and space platforms, as well as key munitions.

During the Cuban Missile Crisis, the U.S. had 28 shipyards capable of building oceangoing naval or merchant-marine vessels. The Navy’s

ship-repair facility on Guam was closed in the 1990s, requiring substantial repair work for U.S. submarines to occur on this side of the Pacific. Only two naval shipyards and fewer than 20 dry docks remain in the Pacific Fleet area of operations, well below what the Navy needs.

Washington must invest immediately in a domestic capacity to build and repair military hardware.

Most harbor cranes—essential for ship repair and construction—are built abroad, and often in China. In the event of a war, the Navy would have a hard time repairing its ships.

Another concern is the lengthy logistics tail required to support U.S. forces across the Pacific’s “tyranny of distance.” Only a handful of auxiliary and reserve ships support the

Navy’s combat capabilities. With a civilian merchant marine reduced almost exclusively to domestic traffic and the infrastructure to produce new vessels limited, the simple reality is that the U.S. would face serious difficulty in an extended trans-Pacific conflict.

Beijing’s reaction to House Speaker Nancy Pelosi’s Taiwan visit underscores the urgency of the situation. A war may arrive in this decade, and the U.S. must be prepared. Without a defense-industrial base that can rapidly produce and repair platforms and munitions, America’s military will be like a great football team that can play only through the first quarter. To address this weakness, the administration and Congress must make immediate, targeted investments. These should be focused on air, naval, space and munitions capabilities, including private and public shipyards, ship-repair facilities and associated infrastructure.

This isn’t about corporate welfare, and companies from every sector of

the economy should be able to help meet this challenge, as should workers and the broader middle class. There is also an urgent need for a merchant marine capable of supporting the military in wartime and a cadre of skilled tradesmen who can perform vital industrial tasks such as welding and pipe-fitting.

The U.S. may soon need to fight and win a more intense war than it has faced in decades. China won’t be deterred unless it sees that the U.S. is ready, and the industrial base is essential to that. There is no time to waste.

Mr. Colby is a principal at the Marathon Initiative. He served as deputy assistant secretary of defense for strategy and force development (2017-18). Mr. Gray is a senior adviser at the Marathon Initiative. He served as special assistant to the president for the defense industrial base (2017-18) and chief of staff of the National Security Council (2019-21).

Don’t Count Out Crime as a 2022 Midterm Issue

By Douglas Schoen
And Andrew Stein

Americans are anxious about crime, and that could spell more trouble for Democrats in November. A Council on Criminal Justice study of 22 U.S. cities found that the number of homicides in 2021 was 44% higher than in 2019. According to an April Gallup poll, 80% of Americans worry about crime and 53% worry a “great deal.”

This rise in crime is largely the byproduct of far-left criminal-justice and policing reforms that Democratic cities and states have adopted over the past few years. Such policies include sweeping and indiscriminate police budget cuts, recklessly sentencing guidelines and cashless bail.

Much of the increase in crime has come in solidly Democratic cities like Los Angeles, San Francisco and New York. But suburban swing voters are sensitive to the issue. The National Republican Congressional Committee

has already booked \$52.3 million in TV ads airing in key House races across the country that tap into the overarching theme of insecurity—personal as well as economic—and blame Democrats for soaring violent crime as well as prices.

The NRCC is spending big in states along the Mexican border, where the rise in violent crime has been exacerbated by uncontrolled immigration. The NRCC has made an initial ad buy of nearly \$2.6 million in the Phoenix area, where the Second and Fourth congressional districts are both competitive, and is spending almost \$3 million to target the 15th, 28th and 34th districts in South Texas.

In New York, crime has become a focal point in the 19th Congressional District, where a special election next Tuesday will fill the seat Democrat Antonio Delgado vacated to become lieutenant governor. An NRCC ad in support of Republican Marc Molinaro attacks Democrat Pat Ryan for being backed by extremists who support

cashless bail, marching to defund the police, and favoring the denial of equipment to local law enforcement. Recent polling gives Mr. Molinaro a 10-point lead in a district where Mr. Delgado beat a Republican incumbent in 2018.

The resurgence of gun violence as a top national issue in the aftermath of the mass shootings in Buffalo, N.Y., and Uvalde, Texas, might have given Democrats an opportunity to prove their bona fides on crime ahead of the midterms. But the intraparty rift between House progressives and moderates has prevented leadership from pairing an assault-weapon ban with a law-enforcement funding bill, leaving Democrats with nothing to show.

Crime is also emerging as an issue in Senate races. In an effort to boost support for Ohio Republican J.D. Vance, Sen. Tom Cotton (R., Ark.) recently tweeted a fundraising link for Mr. Vance, lauded him as “tough on crime,” and attacked his opponent,

Rep. Tim Ryan, for supporting a Democratic policing bill that Mr. Cotton said would “help criminals sue cops.”

In Georgia, Republican candidate Herschel Walker has used the crime issue to push back against Sen. Raphael Warnock’s attacks on GOP ballot-integrity measures. In Missouri, Attorney General Eric Schmitt ran on

Cashless bail, ‘defund the police’ and unsafe streets add up to danger at the polls for Democrats.

criminal-justice issues in his successful primary campaign against disgraced former Gov. Eric Greitens.

There’s even an outside chance that the crime issue could elect a Republican governor of New York for the first time in 20 years. The challenger, Rep. Lee Zeldin, was al-

most stabbed during a public appearance in July, and the suspect was released without bail the next day. Mr. Zeldin has assailed Gov. Kathy Hochul and her fellow Democrats for supporting cashless bail. He is campaigning on a promise to fire Manhattan District Attorney Alvin Bragg, who has declined to prosecute any but the most serious crimes. After Salman Rushdie was stabbed in Chautauqua, N.Y. last week, Mr. Zeldin tweeted: “His attacker must remain in custody and prosecuted to the fullest extent of the law.”

It’s a long shot: Mr. Zeldin trailed Ms. Hochul by 13 and 16 points in two recent public polls. But the former survey, by Siena College, shows some bright spots for the Republican: He’s ahead by 3 points among suburban voters and 4 among independents. And an April Siena poll found Ms. Hochul with a 69% disapproval rating on crime.

To avoid getting swept up in an anticrime tide, Democrats will have to show they’re serious about the issue. They should pledge to increase rather than defund the police; to repeal cashless bail; to support the judicious use of stop, question and frisk, especially in high-crime jurisdictions; and to oppose—and potentially replace—prosecutors who refuse to enforce the law and allow violent repeat offenders to return to the streets. Anything less will give the Republican Party a huge advantage in November.

Mr. Schoen was a senior adviser to Bill Clinton’s 1996 campaign, a White House adviser (1994-2000) and an adviser to Hillary Clinton’s 2000 U.S. Senate campaign. Mr. Stein, a Democrat, served as New York City Council president, 1986-94.

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EDITORIAL AND CORPORATE
HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036
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Notable & Quotable: China

Ira Stoll writing for the New York
Sun, Aug. 15:

If Mr. Xi wants to meet Mr. Biden, let the Communist make the trip to Washington. And let Mr. Biden set some preconditions for such a meeting: a verifiable end to the Xinjiang genocide, full transparency on the first coronavirus patients in Wuhan and any illnesses related to the virology lab there, and release of all political prisoners in Hong Kong, including newspaper proprietor Jimmy Lai.

America may not realize it, but it has the upper hand. Even China’s own bogus economic data show high

unemployment and slowing economic growth there. It turns out that communism doesn’t work. Goldwater was correct.

A weaker American position will only fuel suspicions of corruption — “10 percent for the big guy.” Why are the Chinese Communists so desperate to buy off American elites? Because on some basic level, deep down, they know the truth is [Barry] Goldwater was right. Communism is beyond hope. The Communist Party in China, like the Soviet one before it, is just buying time until the eventual ineluctable reckoning with freedom.

WORLD NEWS

Russia Aims to Shut Jewish Agency Israel Closes 7 Palestinian Groups

Move against nonprofit that helps emigration comes as Moscow's ties to Israel worsen

Russia is moving to close an important nonprofit organization that helps Russian Jews emigrate to Israel, in a sign of deteriorating relations between the Kremlin and the Israeli government amid tensions over Israel's stance on Russia's war in Ukraine.

By Dov Lieber,
Aaron Boxerman
and Evan Gershkovich

On Friday, a Russian court will hear the case against the Jewish Agency for Israel, which the Russian Justice Ministry accuses of violating the country's privacy laws. The agency, which works closely with the Israeli government, is responsible for helping Jews around the world immigrate to Israel and moves against it are seen in Israel as an attack on the country. It has been a significant player in the country's history and had a central role in the run-up to its founding in 1948.

The agency has operated in Russia since 1989 and has overseen the emigration of more than a million residents of countries in the former Soviet Union to Israel, a country with just over nine million residents. It is also a pillar of Jewish life in Russia, organizing Jewish communal activities.

Israeli Prime Minister Yair Lapid, who has been a vocal critic of the Russian war in Ukraine, has said the closure of the agency in Moscow "would be a serious event that would affect relations" between Israel and Russia.



Russia says the Jewish Agency for Israel, whose Moscow office is shown above, violated privacy laws.

Israel considers its relationship with Russia as vitally important. In Syria, where Israel has been carrying out a years-long air campaign to prevent the buildup of Iranian forces on its border, the Israeli and Russian air forces maintain close communication to avoid unintentional clashes, though they are on different sides of the country's war. Israel also says its ties with Moscow are a boon to Russia's Jewish community, one of the largest outside of Israel and North America.

Mr. Lapid, who became prime minister in July, has been a more vocal critic of the Kremlin's war in Ukraine than his predecessor, Naftali Bennett, who tried to mediate between Kyiv and Moscow early in the conflict.

Despite Mr. Lapid's criticism of the war, Israel continues to refrain from providing weapons to the Ukrainians. It has sent humanitarian aid and

defensive equipment.

The criticisms by Israel's leadership have irked Moscow. In July, Russian Foreign Ministry spokeswoman Maria Zakharova said the Israeli leadership's "unobjective" and "unconstructive" statements on the war in Ukraine have had a negative impact on the countries' relations.

The Kremlin didn't respond to a request to comment on the tensions.

The current standoff over the Jewish Agency began when the Russian Justice Ministry accused the organization's representatives in Moscow in July of violating the country's privacy laws by keeping the data on applications to immigrate to Israel in a database in Israel rather than in Russia, an Israeli official said.

The Israeli official also said Russia has complained that the Jewish Agency's efforts were leading to a brain drain in Rus-

sia. Israeli law allows any Jew with a single Jewish grandparent to immigrate under the country's law of return.

Talks to resolve the problem have proved fruitless, said the Israeli official, who expressed pessimism as to whether the Jewish Agency would be able to continue to function in Russia.

The official, as well as Jewish officials from Russia and analysts, said it wasn't clear how much the Jewish agency was being targeted specifically over Israel's stance on the war in Ukraine, or whether it has been caught up in Russia's widespread crackdown against foreign organizations within its borders.

Andrey Kortunov, director-general of the Russian International Affairs Council, a Kremlin advisory board on foreign and defense policy, said the Jewish Agency is likely being targeted because of Moscow's

heightened distrust of foreign groups and the authorities' alarm over brain drain. He said the Kremlin could also be sending Israel a message over its stance on the war.

Mr. Kortunov added that Russia's ties with Israel have become shakier, not only because of the country's position on the war, but because of Moscow's growing ties with Tehran and the departure of Benjamin Netanyahu from his role as prime minister last year. For Russian President Vladimir Putin, he said, personal ties with world leaders—particularly those he views as strong—play a significant role in Moscow's foreign policy.

In recent years, Israel has sought to build ties with Moscow to keep Russia away from Iran, said Ksenia Svetlova, a fellow at the Atlantic Council, a U.S. think tank.

Mr. Netanyahu avoided criticizing Russia in 2014 when Moscow seized Crimea from Ukraine, and a rapprochement between the two countries followed, Ms. Svetlova said.

Arkady Milman, the Israeli ambassador to Russia from 2003 to 2006, said Moscow's moves against the Jewish Agency were more likely to be connected to a decadelong crackdown against foreign organizations inside Russia than to Israel's stance on the war.

"In practice, Putin's regime does not like having strangers and foreigners in his house who will promote the values of liberal democracy, openness and of course, human rights. And this intolerance has grown to such an extent that any contact with the West is a threat to the organization," said Mr. Milman, now head of the Russia program at the Tel Aviv-based Institute for National Security Studies.

By DOV LIEBER
AND AARON BOXERMAN

TEL AVIV—Israel sealed the offices of seven Palestinian nongovernmental organizations, including those working on human rights and child protection, months after a decision to designate them as terrorist groups sparked an international backlash.

In an early morning operation on Thursday, Israeli soldiers arrived at the offices of the Palestinian organizations inside the occupied West Bank city of Ramallah, welded the doors closed and left notices declaring them shut. Soldiers also confiscated materials from some of the offices, the Israeli military said.

Israel says the groups operate as fronts for the Popular Front for the Liberation of Palestine, or PFLP, a left-wing political party based in the West Bank and Gaza. It also has an armed unit that has carried out deadly attacks against Israelis and is designated a terrorist group by the U.S. and European Union.

All the organizations deny working on behalf of the PFLP and Israel has struggled to convince allies that the groups are fronts for terrorist outfits. Rights groups say the Israeli measures are part of a long history of cracking down on Palestinian activists in the occupied territories.

The seven nongovernmental organizations include some of the most longstanding and highly regarded nonprofits in Palestinian civil society, including Al-Haq, a human-rights monitor, and Al-Dameer, which provides legal aid to Palestinians facing Israeli military courts. Many of the NGOs receive European funding and regularly meet with diplomats.

Palestinian Authority President Mahmoud Abbas condemned the decision to seal the seven premises as "a crime and a brazen assault on Palestinian civil society institutions."

Khaled Quzman, who directs the legal aid group Defense for Children International-Palestine, said its appeal against the designation was denied Wednesday, and the group's employees arrived Thursday morning to find the offices "ransacked."

"DCI has worked with 4,500 children directly during the first half of 2022 only. Today we found their files thrown out on the staircases," he said.

On Thursday, U.S. State Department spokesman, Ned Price, said Washington is "concerned" by the Israeli raids.

The U.S. communicated with Israel following the closures "including at senior levels," he said. Mr. Price also suggested that Israeli-provided intelligence had yet to persuade U.S. officials of the groups' alleged terrorist ties.

Fashion Designer for Royalty, Celebrities

By SURYATAPA BHATTACHARYA
AND CHIEKO TSUNEOKA

TOKYO—Hanae Mori counted princesses in Europe and Japan among her patrons, as well as first lady Nancy Reagan.

The grande dame of Japanese fashion, who was known for her signature butterfly motifs and kimono-inspired designs, died at her home in Tokyo on Aug. 11 at age 96, her office said Thursday. A representative didn't give a cause of death, but said Ms. Mori was in generally good health before coming down with a fever two days before her death.

Her patrons included Princess Caroline and Princess Grace of Monaco, and she dressed the royalty of the political and entertainment worlds including Mrs. Reagan and Bianca Jagger.

Perhaps the biggest commission in her home country came from the imperial house-

hold, when then-Crown Prince Naruhito married the former Masako Owada in 1993. Ms. Mori designed a wedding gown for the new princess, who is today Empress Masako.

She designed costumes for film and opera, and uniforms for Japan Airlines Co. flight attendants, including a dark blue one-piece miniskirt with a red belt that caused a sensation in conservative Japan in 1970.

What caught the attention of the world in the 1960s and 1970s were her delicate silk tunics, her use of kimono fabric and her adaptation of flowing Japanese designs to Western wear. She created a bright pink silk caftan with a chrysanthemum motif to be worn over a jumpsuit that was featured in the U.S. edition of Vogue in 1966. That design and others are displayed in museums around the world.

Ms. Mori was born in 1926 in Shimane prefecture, a mostly rural part of western Japan, and attended Tokyo Women's Christian University



Hanae Mori was known for her signature butterfly motifs.

where she fell in love with the image of 19th-century fashion, like the description of a tightly cinched corset worn by Scarlett O'Hara in the novel "Gone With The Wind."

Ms. Mori went on to study at a design school in Tokyo and in 1951 opened a boutique that displayed her Western-influenced designs. They were

soon noticed by people in the film industry, and Ms. Mori started creating costumes for Japanese cinema.

In 1965, she presented her first collection, called "East Meets West," in New York. The collection was a hit, and the motif of a big, bold butterfly would go on to represent her work. "My self-expression in re-

sponse to those in the West who looked down upon Japanese women took shape in the form of a butterfly boldly spreading its wings," she wrote in autobiographical essays.

In 1977, she opened an atelier in Paris and joined a section of the French fashion federation now known as Fédération de la Haute Couture et de la Mode. She presented her collections in Paris for the next 27 years.

Ms. Mori was awarded the Order of Culture in 1996, and the Legion of Honor in 2002 by the French government.

Throughout most of her career, Ms. Mori had by her side her husband, Ken Mori, a textile businessman, whom she met when he was a young military officer. Ken Mori died in 1996.

The company sold its ready-to-wear and licensing businesses in 2002 after going through a bankruptcy, and Ms. Mori retired from Paris haute couture in 2004. However, she continued to design for the stage and some of her clients.

WORLD WATCH

EUROPE

Fierce Storms Leave At Least Eight Dead

Violent thunderstorms and hurricane-force winds left at least eight dead Thursday in France and Italy, uprooting trees in Tuscany and on the French island of Corsica and ripping away brick shards from St. Mark's famed bell tower in Venice. More than 100 boats in the Mediterranean Sea called for emergency help, authorities said.

The storm produced gusts of more than 136 mph in some areas, the national weather agency Meteo France said. About 45,000 households were without power on Corsica, where six people were killed.

Dozens of people were injured and 12 were hospitalized in Corsica, one in critical condition, authorities said.

The Italian regions of Tuscany and Veneto both declared a state of emergency, as the violent storms in the north contrasted with temperatures up to 109 degrees Fahrenheit in southern Italy.

Storms in recent days have slammed Western European countries after a summer of extreme weather, while neighbors in Central and Eastern Europe are still suffering exceptional heat waves and drought.

—Associated Press



Street vendors in Venice, Italy, cleaned up on Thursday after a storm battered the region. High winds detached pieces of brick from St. Mark's bell tower, which stands in front of the famed cathedral.

SAUDI ARABIA

Woman Sentenced To Prison for Tweets

A Saudi court sentenced a doctoral student to 34 years in prison for spreading "rumors" and retweeting dissidents, according to court documents obtained Thursday, a decision that has drawn growing global con-

demnation.

Activists and lawyers consider the sentence against Salma al-Shehab, a mother of two and a researcher at Leeds University in Britain, shocking even by Saudi standards of justice.

The ruling comes amid Crown Prince Mohammed bin Salman's crackdown on dissent even as his rule granted women the right to drive and other new

freedoms.

Ms. Al-Shehab was detained during a family vacation on Jan. 15, 2021, days before she planned to return to the United Kingdom, according to the Freedom Initiative, a Washington-based human-rights group.

Ms. Al-Shehab told judges she had been held for more than 285 days in solitary confinement before her case was even re-

ferred to court, the legal documents show. Human-rights watchdog Amnesty International slammed Ms. Al-Shehab's trial as "grossly unfair" and her sentence as "cruel and unlawful."

Judges accused her of "disturbing public order" and "destabilizing the social fabric"—claims stemming solely from her social-media activity.

—Associated Press

UNITED NATIONS

Investigator Says Slavery Still Common

A U.N. investigator says contemporary forms of slavery are widely practiced around the world, including forced labor for China's Uyghur minority, bonded labor for the lowest caste Dalits in South Asia, and domestic servitude in Gulf countries, Brazil and Colombia.

Human Rights Council Special Rapporteur Tomoya Obokata adds that traditional enslavement, especially of minorities, is found in Mauritania, Mali and Niger in Africa's Sahel region.

He said in a report to the U.N. General Assembly circulated Wednesday that child labor—another contemporary form of slavery—exists in all regions of the world, including its worst forms.

His conclusion about Uyghurs in China's northwestern province of Xinjiang follows a U.S. ban imposed in December on imports from the region unless businesses can prove items are made without forced labor. There have been many claims China engages in systemic and widespread abuse of ethnic and religious minorities in its western region.

China's Foreign Ministry sharply criticized that finding by Mr. Obokata.

—Associated Press

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Steve Martin, Martin Short and Selena Gomez in a scene from Hulu's highly watched 'Only Murders in the Building'

In a First, Viewers Spent More Time Streaming Than on Cable TV

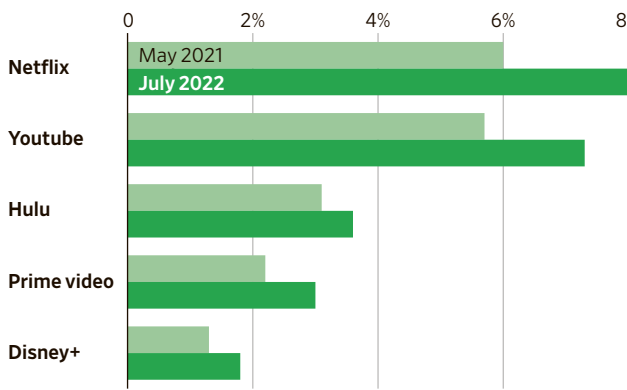
By SARAH KROUSE

Americans spent more of their July TV-viewing time streaming content on services such as Netflix, YouTube and HBO Max than they did watching cable television, according to Nielsen data, marking the first month that streaming has overtaken cable.

Streaming services captured 34.8% of total U.S. TV viewing time during the month, while cable TV attracted 34.4%, the ratings company said in a release published Thursday. People spent 23% more time streaming content than a year earlier and 9% less time watching cable, Nielsen found, a sign of streaming's continued ascent while more Americans cut the pay-TV cord.

"Streaming is working everywhere. Everyone is pouring in," Netflix Inc. co-Chief Executive Reed Hastings said last month while discussing the company's latest results. "It's definitely the end of [traditional] TV over the next five,

Share of U.S. TV viewing time captured by most watched streaming services



Source: Nielsen

10 years."

The increase in time spent streaming is a welcome sign for the many companies that have launched new direct-to-consumer platforms in recent years and are vying to attract subscribers in a crowded market. Many of them have spent heavily on content to draw in new customers, sacrificing profitability for growth. The parents of Disney+, HBO Max

and Peacock recently said their streaming businesses lost hundreds of millions of dollars in the latest quarter alone.

All the while, many streaming services are struggling to hold on to new subscribers long term. The rate of customer defections is rising throughout the industry, as more households jump from one service to the other when

they are done watching a specific show.

Netflix was the most-watched streaming service last month, bolstered by its "Stranger Things" franchise, the Nielsen study found. The Los Gatos, Calif., company released the series's final set of season four episodes in early July. Other highly watched shows and movies include Hulu's "Only Murders in the Building" and Netflix's "The Sea Beast," Nielsen said.

Overall, many streaming-video platforms—including Netflix, Alphabet Inc.'s YouTube; Walt Disney Co.-controlled Hulu; and Amazon.com Inc.'s Prime Video— attracted their highest respective shares of U.S. TV viewing time in July, topping records set in June, Nielsen said.

John Hodulik, a media and telecom analyst at UBS Group AG, said streaming services offer greater convenience to users because they can watch shows and movies whenever

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Bank Stocks Come Back After Selloff

Five of the six largest U.S. banks have outperformed the S&P 500 since June

By CHARLEY GRANT

Bank stocks have had a rough year. Lately they're showing signs of life.

Since the end of June, five of the six largest U.S. banks have outperformed the S&P 500's 13% gain. Shares of Morgan Stanley and Goldman Sachs Group Inc. are up 21% and 19%, respectively. Wells Fargo & Co. is up 18%. Bank of America Corp. and Citigroup Inc. have gained about 17% and 16%, respectively.

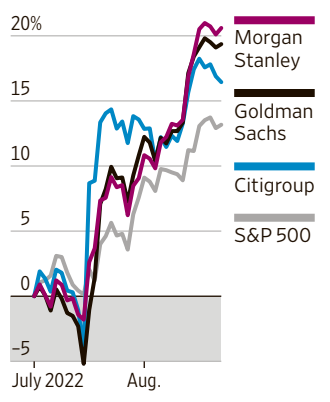
JPMorgan Chase & Co. shares are up about 8% so far in the third quarter.

Bank stocks sold off sharply in the first half of 2022 after two years of significant gains, pushed lower by a number of factors. Russia's war in Ukraine upended commodities markets. Investors worried that the Federal Reserve rate-raising campaign against inflation would push the U.S. into recession. Corporate chiefs, unnerved by the uncertainty, moved to the sidelines, drying up the deal-making boom that buoyed banks throughout the pandemic.

Some analysts say that now, much of the bad news is baked in, both for banks and the broader market. Stocks have climbed across the board since June.

The rally could reverse if the Fed proves unsuccessful at lowering inflation, said Steven Chubak, analyst at Wolfe Research. "Most people don't believe we're out of the woods quite yet," he said. "We are in this sort of purgatory state."

Share-price and index performance since the end of June



Source: FactSet

Bank stocks tend to move up and down with expectations for the economy, and the rally has coincided with some signs that the economy is improving. U.S. employers continued to add jobs in July, inflation slipped and gas prices have been falling. Consumer sentiment has improved for the past two months as a result, after setting a record low in June.

"It seems like inflation is coming down, but is it going to settle at a high level? If that's the case, the risk is higher that we get more bumps," said Christopher McGratty, analyst at Stifel Financial Corp. unit KBW.

Major credit-card issuers are spending heavily on marketing and trying to increase total card balances, a strategy that suggests they think consumer spending will remain strong.

And even in a severe recession, bank stocks have some room to run, said Citigroup analyst Keith Horowitz. The Fed stress tests found in June that the largest U.S. banks

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Stablecoin Issuer Tether Switches Accounting Firms

By VICKY GE HUANG

Tether Holdings Ltd., the issuer of the world's largest stablecoin, said on Thursday it switched the accounting firm that signs off on its attestation reports to BDO Italia, the Italian member firm of BDO.

Stablecoins are a type of cryptocurrency that are pegged to government-backed currencies like the dollar. Stablecoin issuers say that each token is backed one-for-one with liquid investments. Cash and cash-equivalent investments would allow stablecoin users to redeem their stablecoins en masse without causing the collapse of the token.

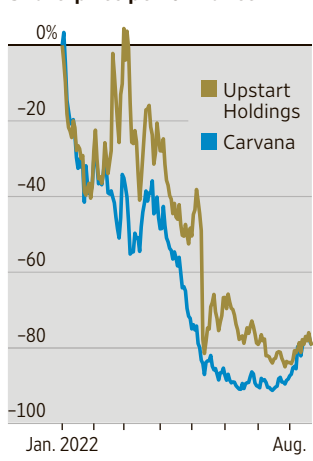
Tether has long faced scrutiny over the assets backing its coins. Since at least 2017, Tether has been assuring investors that it will get audited,

though it has yet to deliver. In 2021, Tether and related entities reached an \$18.5 million settlement with the New York attorney general's office, which accused them of making several public misrepresentations regarding the dollar reserves backing tether. They didn't admit or deny the allegations.

In February 2021, the firm started to use accounting firm MHA Cayman to provide quarterly attestations—snapshots of a company's assets held at one moment in time with less rigorous standards than audits. The U.K. accounting watchdog, the Financial Reporting Council, is investigating MHA Cayman's parent company, MHA MacIntyre Hudson, for its audits of the firm MRG Finance. BDO Italia took over

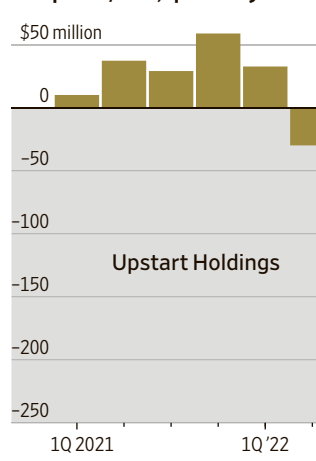
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Share-price performance



Sources: FactSet (performance); S&P Capital IQ (net profit/loss)

Net profit/loss, quarterly



Startups Take Aim At Safari, Chrome

By MILES KRUPPA

Web browsers were at the center of the first major antitrust case challenging the power of big tech companies more than two decades ago. Now, a new generation of regulators and rivals are again questioning whether the gateways to the internet are too tightly controlled.

Back then, in the 1990s, the target was Microsoft Corp. Today, it is Alphabet Inc.'s Google and Apple Inc., which together control more than 80% of the market through their Chrome and Safari browsers, respectively.

In the U.K., the Competition and Markets Authority said in June that it was examining competition between browser developers on mobile devices as part of an antitrust investigation into Apple and Google.

After complaints from a group of software developers, dubbed Open Web Advocacy, the European Commission added a section focused on browser developers to the recently passed Digital Markets Act, which is expected to impose penalties on companies that haven't adopted its recommendations by 2024.

Several startups are also trying to break in, saying they can make the browser experience more app-friendly and in hopes that the competitive landscape is shifting. Micro-

Please turn to page B2

Rising Rates Put Squeeze On Financial-Tech Lenders

By MATT WIRZ

Rising interest rates have brought highflying consumer lenders back to earth.

Finance companies such as Upstart Holdings Inc. and Mosaic lend money to people for purchases such as cars, solar panels and home electronics. But they have to borrow the money they lend out to consumers—and that is becoming increasingly expensive as the Federal Reserve continues to raise interest rates aggressively.

As borrowing costs for the companies rise, bad loans are going up too. With red-hot inflation pushing up prices for food and rent, more customers are starting to fall behind on payments.

The lenders' use of artificial intelligence to find and approve large numbers of borrowers quickly made them popular among stock and bond

buyers when markets soared last year. Now they are falling out of favor.

Investors have been selling out of asset-backed bonds issued by the finance companies, and some banks and credit unions have stopped buying the loans they make. That has pushed funding costs even higher. Shares of Upstart and Carvana Co., the online used-car dealer that also makes auto loans, are down nearly 80% this year.

The financing squeeze is another example of how the Fed's rate-hiking campaign is affecting all corners of the economy. While these lenders don't have the size or name recognition of a JPMorgan Chase & Co. or a Bank of America Corp., they are an important part of the consumer ecosystem, often lending to borrowers who might not qualify for loans from traditional lenders. Because they

aren't banks, they can't fund themselves with deposits.

Tighter financing conditions forced the consumer-loan originator Upstart to slow lending in the second quarter, helping to push the company into a quarterly loss. Upstart plans to start using cash reserves to buy some of its own asset-backed bonds, company executives said on an earnings call last week.

"Our mission is to try and bring people who might not seem optically creditworthy through the traditional banking lens into the system," Chief Financial Officer Sanjay Datta said in an interview. "We're on a journey of convincing the markets that they can rely on our technology, and we are comfortable stepping in with our balance sheet to provide financing to do it."

The company typically acts as an intermediary, identifying

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INSIDE



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BUSINESS & FINANCE

Toyota Executive Warns That EVs Face Obstacles to Wider Adoption

By NORA ECKERT

A top executive for Toyota Motor Corp. in North America warned on Thursday that buyers might not shift to fully electric vehicles as quickly as some rivals expect and that hybrids are likely to serve as a better near-term solution for many customers.

"As much as you want to talk about EVs, the marketplace isn't mature enough," said Jack Hollis, executive vice president of sales at Toyota Motor North America.

High sticker prices and a poor public-charging infrastructure will likely keep customers—other than early adopters—from widely embracing battery-powered vehicles, Mr. Hollis said during a virtual event with journalists. Fast-rising raw-material costs, such as those for lithium, cobalt and other crucial battery inputs, are likely to further pressure car companies to increase prices for electric vehicles, he added.

"I don't think the market is ready for what the rhetoric is saying," Mr. Hollis said.

His skepticism contrasts with other automotive executives who have been bullish on consumer uptake of electric vehicles, with many citing long waiting lists for the electric models now available on the market.



A 2023 Toyota bZ4X all-electric SUV was displayed at the 2021 LA Auto Show in Los Angeles.

Toyota has long cautioned that many of its customers, particularly those living in the middle parts of the U.S., weren't ready for a battery-powered car.

Still, like other car companies, it has thrown its support behind the technology, declaring late last year that it would make 3.5 million electric vehicles a year by 2030. At the time, Toyota showed off more than a dozen of the 30 EV models it intends to have on sale by that year.

Mr. Hollis said he believes electric-vehicle adoption will take off eventually, which is why Toyota needs to be pre-

pared.

In the near term, Toyota plans to continue its focus on hybrids and plug-in hybrids because they are more likely to appeal to mass-market buyers, he added. These vehicles tend to be more affordable and don't trigger the kind of range anxiety that comes with driving a pure electric vehicle, he said.

Toyota popularized the concept of an eco-friendly vehicle with the Prius hybrid, a high-gas-mileage car it developed in the 1990s.

The company has since expanded its range of hybrids across more models in its

lineup and recently added an all-electric compact sport-utility vehicle, called the bZ4X.

Other auto makers, such as General Motors Co. and Volkswagen AG, have been more aggressive in going fully electric, saying they see no future for hybrids in their lineups. These car companies have also moved faster to add fully electric vehicles to their showrooms, looking to catch up with Tesla Inc., which sells EVs exclusively.

GM, for instance, has set a 2035 target date for phasing out gasoline- and diesel-powered vehicles from its global lineup.

Rate Rise Squeezes Fintechs

Continued from page B1
less affluent borrowers through artificial intelligence and matching them with banks and credit unions for a fee. Upstart began parking some loans it made on its balance sheet early this year after banks reduced their buying, but reversed course when stock investors reacted poorly.

Upstart also arranges loans to be bundled into asset-backed bonds and sold to investors. But demand for the bonds has weakened, and the extra yield, or spread, that investors demand to buy them rather than U.S. Treasuries almost doubled since March to about 3 percentage points, according to the data provider Finsight.

Loans the company currently makes are projected to deliver investor returns of 11% compared with 7% before interest rates started rising, Mr. Datta said. Upstart says it beats competitors at finding borrowers with low credit scores who won't default because its artificial intelligence includes nontraditional criteria such as education and employment histories.

Ashley Portillo, a 29-year-old human-resources manager



The online car dealer, which also makes auto loans, has had to pass on higher rates to customers.

in San Francisco, took out a \$7,600 Upstart loan in September to repay defaulted family debts that had dragged her credit score down to about 500. Ms. Portillo used her annual bonus in April to pay off the new loan, which charged a 25.83% interest rate, and her credit score has jumped to more than 600, she said.

"It was a very high interest rate...but I don't have good credit, so there weren't a lot

of options," said Ms. Portillo, whose parents immigrated to the U.S. from El Salvador. "At some point I'm going to want to own a house, and I want to get on a path to building my credit back up."

Mosaic, which lends to homeowners buying solar panels, cut the interest rates on its loans in February to spur growth. It worked: Funded loans surged by about one-third this year to \$8 billion.

But the Fed started raising

rates in March, and Mosaic has started ratcheting up its interest rates in recent months, said Billy Parish, the company's founder.

"Everyone's cost of borrowing has gone up, and everybody has increased rates," Mr. Parish said.

GoodLeap LLC, another solar-panel lender, issued its largest ever asset-backed bond this month, raising \$493 million. The spread on the new bonds was about 18% higher

than what GoodLeap paid for a similar deal earlier this year, according to Finsight.

Mosaic sold a \$200 million minority stake in itself this summer to Affinity Partners, the private-equity firm launched by Jared Kushner, and the Swiss bank J. Safra Sarasin. Mosaic sold the shares at a lower price than they would have fetched last year, reflecting the broad stock selloff since then. Axios reported the deal in July.

"We're growing rapidly, and in this market environment it's good to be well-capitalized," Mr. Parish said. "Growth-stage companies usually fail because they run out of cash."

Carvana has had to pass along rising rates to its customers, sending down demand for the loans. Like Upstart, the company depends on asset-backed bonds and is grappling with rising costs in that market.

Carvana this month reported a second-quarter net loss. It also said it cut costs and would focus on selling loans individually rather than repackaging them into bonds. The company's recently issued \$3.275 billion bond traded up to 88 cents on the dollar this week from around 78 cents a month earlier, according to MarketAxess.

A Carvana spokeswoman said the second-quarter results "demonstrate the robustness of our business and the strength and flexibility of our customer lending program."

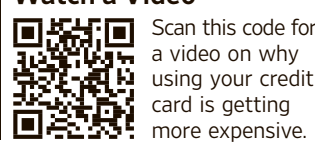
Bank Stocks Pull Comeback

Continued from page B1
would be able to keep lending to businesses and households in a bad downturn.

Still, investors continue to wrestle with concerns about a global slowdown. The U.S. economy has shrunk for two consecutive quarters, a common definition of recession. High prices for gas, groceries and rent have squeezed U.S. households. The Fed's repeated rate increases have slowed the housing market. Meanwhile, the pandemic-era surge in deal-making hasn't reappeared. The major banks all reported a second-quarter profit decline of at least 27% from a year earlier.

The six major banks are all in the red for the year, some of them worse than the decline in the broader market. The worst performer, JPMorgan Chase, is down about 23% for the year. The best performer, Wells Fargo, is down about 4%.

Watch a Video



Scan this code for a video on why using your credit card is getting more expensive.

Safari, Chrome Targeted

Continued from page B1
soft has mounted a new push with its Edge browser, which effectively replaced Internet Explorer.

Some participants in the market said that Chrome and Safari grew dominant because they were faster and more secure than competitors and that it is relatively easy to switch between different browsers.

A Google spokesman said people choose to use Chrome because it is "fast, secure and offers the best experience," adding that Google has made the browser's underlying code free for others to use.

An Apple spokeswoman said the company "has every interest in supporting a robust ecosystem of third-party browsers and web apps, and will continue to promote innovation and choice while ensuring users' privacy and security are protected."

Software developers said web browsers are key pieces in strategies Apple and Google

have used to dominate internet markets in the past decade.

The Chrome browser hosts almost two-thirds of internet activity worldwide and is an important driver of traffic to Google's lucrative search engine. The company has at times held back new features that risked reducing traffic to the search engine, said people familiar with the decisions. The Google spokesman said the company regularly experiments with new features in Chrome and gives priority to user experience, performance and security when making product decisions.

"Google is incentivized to make Chrome one big Google search box," said Josh Miller, chief executive officer of the **Browser Company of New York Inc.**, which is creating a competing product named Arc that he said aims to serve the workflows and needs of the average internet user.

The Browser Company this month raised \$15 million in a round of funding led by Instagram co-founder Mike Krieger that included Shopify Inc. CEO Tobj Lütke and Slack CEO Stewart Butterfield, valuing the nearly three-year-old company at \$350 million.

Google introduced Chrome in 2008, and with its minimalist presentation and speedy

performance, it immediately found an audience, surpassing Internet Explorer in market share less than four years after its debut, according to Statcounter data.

An early decision by Google's Chrome team to combine the URL and search bars into one field helped the browser become an important source of traffic for the search engine, the company's largest revenue source. Bernstein analysts estimated that Google was on track to pay Apple about \$15 billion last year for the right to have its search engine as the default in Safari,

80%

Percent of browser market controlled by Chrome, Safari

which was introduced in 2003.

Chrome has also grown in importance to Google as the company works to phase out software tools known as cookies that advertisers use to target individual internet users.

The competitive landscape is different from the way it was in the 1990s, when Microsoft rivals complained that the

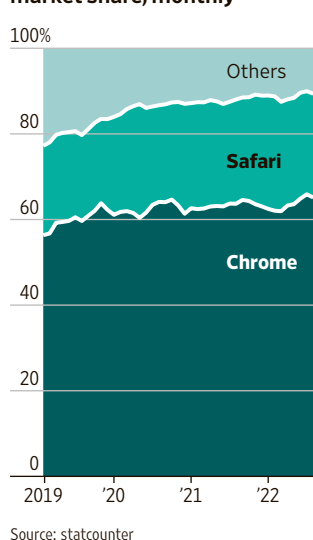
company had artificially tilted the market in its favor by bundling the Internet Explorer browser with its Windows operating system, sparking an antitrust lawsuit. Federal prosecutors eventually dropped claims related to those tactics, and Microsoft settled the suit by agreeing to change some of its business practices.

While both Google's Chrome and Apple's Safari browsers have escaped the brunt of antitrust attention so far, competitors have recently grown more vocal to lawmakers and regulators about alleged abuses in the market.

Some competitors have said that Google, which faces a Justice Department lawsuit targeting its dominance in online search, has used subtle cues and tricks that make it more difficult for third-party search engines and browsers to distribute their products through Chrome. A Google spokesman disputed complaints that Chrome interferes with competitors.

Meanwhile, some software developers have criticized as anticompetitive Apple's policy of barring browsers other than Safari from running their own software programs, known as browser engines, on Apple mobile devices. Competing browsers on Apple devices must be

Global mobile browser market share, monthly



Source: statcounter

built using WebKit, the open-source software program that powers Safari.

A section of the European Union's Digital Markets Act focused on browser engines and their potential to be abused in an anticompetitive fashion.

An Apple spokeswoman said WebKit is important to protecting privacy and security, as well as promoting efficiency and performance. She said users can easily change their default browser on the company's devices.

In the U.S., some smaller

browser makers see promise in proposed antitrust legislation backed by Sen. Amy Klobuchar (D., Minn.) that is designed to prevent big tech companies from favoring their own products at the expense of competing services.

The Mozilla Foundation, which developed the Firefox browser, purchased a full-page ad in the Washington Post last month to express support for the bill, writing that big tech companies have made it difficult for users to "discover, install and use Firefox as their preferred browser."

Efforts by big tech companies to favor their own browser products make it "very difficult for there to be more choices," said Mika Shah, Mozilla Corp.'s vice president of product and policy. "Browsers, in particular, are really personal."

Most of Mozilla's revenue comes from a longstanding deal for Google to be the default search engine in Firefox, an arrangement that is expected to expire next year.

DuckDuckGo, which offers a privacy-focused search engine, told U.S. lawmakers investigating big tech companies that it recently concluded it had no choice but to create its own browser to compete with Google.

BUSINESS NEWS

Kohl's Posts Profit Dive, Cuts Forecast

Bloated inventory, weaker consumer spending weigh on the store chain

By SUZANNE KAPNER AND DEAN SEAL

Kohl's Corp.'s earnings plunged on lower sales, and the company cut its guidance for the year, underscoring the department-store chain's struggles amid increasing competition for consumer dollars.

Net income fell 63% to \$143 million for the quarter ended July 30, compared with \$382 million in the same period a year earlier.

Revenue dropped 8.1% to \$4.09 billion. Comparable-store sales—which excludes newly opened or closed locations—fell 7.7%.

Chief Executive Michelle Gass said high inflation and dampening consumer spending are weighing on retailers, particularly those that sell discretionary items like apparel.

"Kohl's customers are seeing greater pressure on budgets, they are making fewer shopping trips and shifting toward value brands," she said.

The company has reacted by increasing promotions to clear excess inventory, canceling orders for merchandise and reducing expenses. Ms. Gass noted that other retailers are taking similar actions, which will likely lead to an environment with stepped-up discounts for shoppers in the near term.

The company's shares fell about 6% in Thursday trading. They are down about 35% this year.

Department stores had been under pressure from newer rivals like discount chains and fast-fashion retailers long before the Covid-19 pandemic upended consumer demand and snarled supply chains.

Rising prices on everything from fuel to food is also weighing more heavily on lower- and middle-income consumers, leading to a mixed bag of earnings reports.

Companies like Ralph Lauren Corp., Michael Kors parent Capri Holdings Ltd. and Coach parent Tapestry Inc. have reported stronger quarterly results, while the parent of T.J. Maxx, TJX Cos., and Target Corp. have seen a slowdown in demand coupled with bloated inventory levels.

Kohl's is lagging behind some of its peers, including Dillard's Inc. and Macy's Inc., which have been growing sales and profits. Investors will get a better read on the sector next week when Macy's and Nordstrom Inc. plan to re-



The company's inventory is up 48% compared with a year ago, prompting it to mark goods down to clear them out.

port their quarterly financial results.

Kohl's troubles attracted an activist investor earlier this year, who pushed the company to consider a sale. The retailer entered into exclusive talks with the owner of the Vitamin Shoppe, but the talks collapsed in July over the uncertain economic

environment and Kohl's faltering business.

Neil Saunders, managing director of research firm GlobalData PLC, said Kohl's problems are due more to internal missteps than external pressures.

"The company has lost the plot in terms of merchandising and range planning and

appears to be taking a seemingly random approach to buying," Mr. Saunders wrote in a note to clients. "The result is a jumble of disjointed product in stores, which is exacerbated by a very serious deterioration in shopkeeping standards."

Kohl's inventory is up 48% compared with a year ago, prompting it to mark goods down to clear them out.

Ms. Gass said she is confident in the company's current strategy, which focuses on rolling out Sephora beauty shops to all of its more than 1,100 stores. Ms. Gass said the 600 stores that have Sephora are outperforming the rest of the chain.

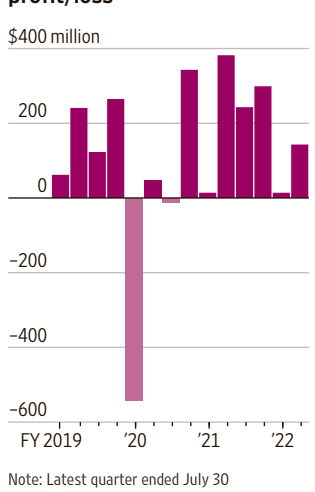
Still, the company expects further pressure on sales and profit as a result of economic conditions. It now expects sales to decline by 5% to 6% from a year earlier, compared with previous guidance that called for sales to be unchanged or rise 1%. It also slashed its targets for operating margin and earnings

per share.

The company announced an accelerated share repurchase of about \$500 million in common stock.

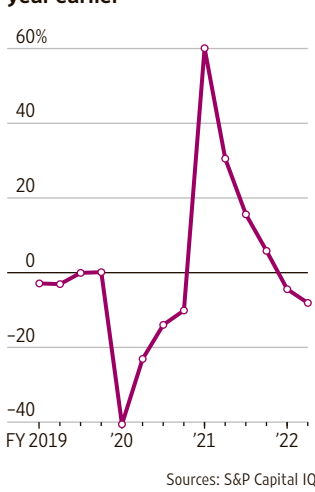
◆ Heard on the Street: Chain should focus on shoppers. B12

Kohl's quarterly net profit/loss



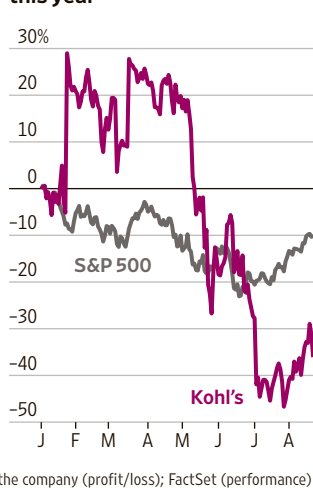
Note: Latest quarter ended July 30

Net revenue, change from a year earlier



Sources: S&P Capital IQ; the company (profit/loss); FactSet (performance)

Share and index performance this year



BIDDING NOTICE
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 The Secretary of the Civil House makes public the Electronic Auction N°20220005 of interest to the Secretariat of Infrastructure - SEINFRA, whose PURPOSE is: Acquisition of 3 (three) diesel VLTS - Light Rail Vehicle, and their respective projects, for use in urban passenger transport rail systems, including warranty, technical assistance and the supply of spare parts and special tools, through the International Electronic Auction, according to the specifications contained in the Notice and its Annexes.
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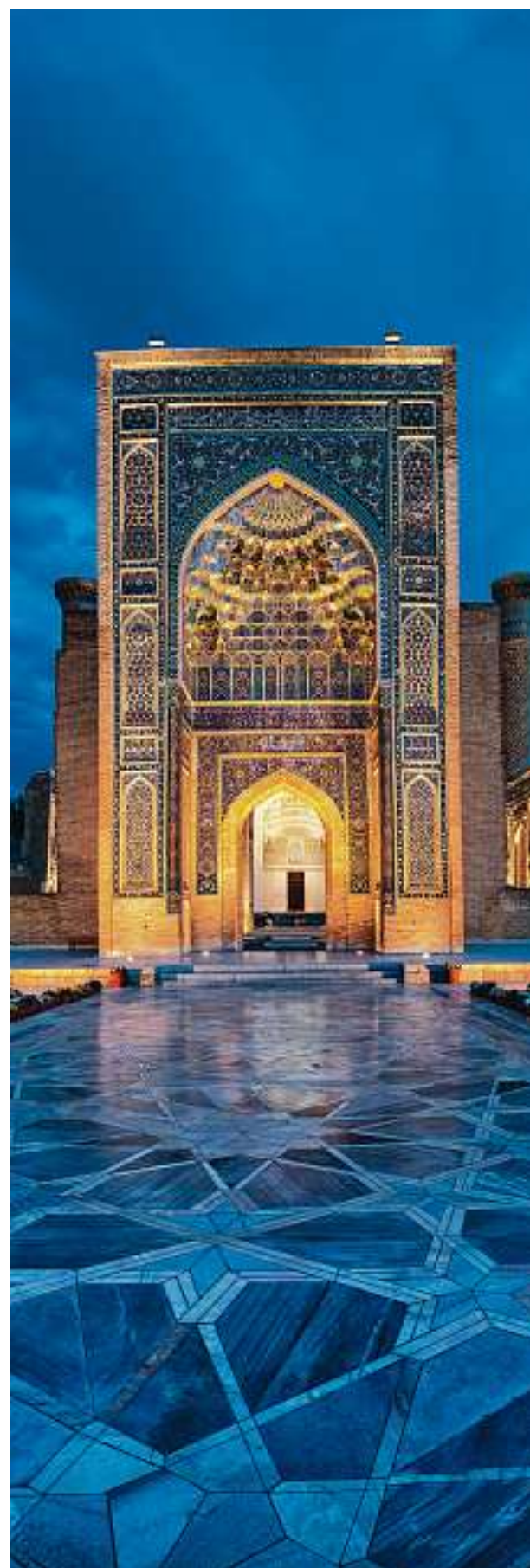


EXPEDITIONS

THE WALL STREET JOURNAL.

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TECHNOLOGY

Snap Scraps Development on Its Flying Selfie Drone Pixy

By MEGHAN BOBROWSKY

Snap Inc. is sunsetting future development of its Pixy flying selfie camera less than four months after launching the product publicly, according to people familiar with the matter, becoming the latest technology company to adjust product plans during the economic downturn.

Snap Chief Executive Evan Spiegel recently told staff during a regular question-and-answer session of the decision around the Pixy drone. The effort to halt further development of the project is part of a reprioritization of company resources, Mr. Spiegel told staff, the people said.

Pixy is a small drone that takes off and lands in the user's hand. It was introduced at the end of April during Snap's annual partner summit with a \$230 starting price. When it launched, Mr. Spiegel said it planned to sell a limited quantity of them.

Snap will continue to sell the current iteration of Pixy, according to a person familiar with the matter.

The company behind the social-media platform Snapchat was particularly hard hit in recent months from disruptions in the digital advertising market, posting its weakest-ever quarterly sales growth in July. Shares fell almost 40% on those results.

The company is grappling with changes Apple Inc. intro-



Pixy, a flying camera introduced at the end of April, takes off and lands in the user's hand.

duced to its privacy policy, denting Snap's ad business and that of other social-media companies. Snap shares slumped more than 80% over the past year.

Snap's step back from Pixy echoes actions other tech companies have taken to reallocate resources in recent weeks. Facebook parent Meta Platforms Inc. has moved to give priority to efforts around the creator economy and away from its Facebook News tab and newsletter platform called Bulletin. The changes came amid a shift within the company toward the metaverse

and its efforts to fend off competition from short-form video platform TikTok.

Microsoft Corp. recently laid off some employees in its Modern Life Experiences group, which helps develop software products for consumers. The ride-hailing company Lyft Inc. said last month it was curtailing its car-rental program for rides, which allowed consumers to rent its fleet of cars on the app.

Launching successful hardware products has long been a goal for Snap. In 2016, Snapchat renamed itself Snap Inc. It billed itself as a camera

company instead of simply a social-media platform. It launched a set of sunglasses with a camera in them, called Spectacles, for \$130.

Snap's latest decision around the Pixy drone follows other belt tightening. Last month, the company said it would substantially reduce its rate of hiring and that head count would remain roughly flat. Meta and Twitter Inc. said they plan to throttle back on adding employees.

Robinhood Markets Inc. this month said it was slashing about 23% of its full-time staff.



Alphabet CEO Sundar Pichai was sent the petition this week.

Staff Ask Google to Halt Saving Data on Abortion Searches

By MILES KRUPPA

A group of workers at Google parent Alphabet Inc. has asked the company to stop collecting data on users seeking information about abortions, according to a petition sent to Chief Executive Officer Sundar Pichai this week.

The petition, signed by more than 650 workers, also called on the company to remove search results for crisis pregnancy centers, which it said were misleading to those seeking abortions. Crisis pregnancy centers are typically nonprofits that counsel women against having abortions.

Representatives from the Alphabet Workers Union sent the letter to Mr. Pichai on Monday after circulating it among employees last week, a spokesman for the union said. Mr. Pichai had not responded by the end of the day on Thursday, the spokesman said.

A Google spokeswoman declined to comment on the petition. Alphabet reported 174,014 full-time employees at the end of June, in addition to a large number of contract workers.

Tech companies and location-data brokers are under heightened scrutiny after the Supreme Court ruling in June that overturned Roe v. Wade. Privacy advocates fear that prosecutors will use warrants or subpoenas to demand data revealing users who have visited abortion clinics or sought out related information. That data could be used to build legal cases against people who are charged with having an abortion in states that have outlawed the procedure.

Google, like most tech companies, has said it responds to lawful requests from government agencies for user data, and that it pushes back against those that it deems overly broad or otherwise objectionable.

Google's handling of abortion-related policies has become a politically charged issue. Before the Supreme Court ruling, more than 20 congressional Democrats urged Google to take action limiting the appearance

of crisis pregnancy centers in abortion-related searches in a letter to Mr. Pichai.

The following month, 17 Republican attorneys general responded with their own letter warning that they would take action against the company if it suppressed results related to crisis pregnancy centers, which the group said provide important medical services.

The Alphabet union previously in June released a public statement asking Google to stop storing "any data that could be used to prosecute users in the U.S. exercising their bodily autonomy."

Google said in July it would begin automatically deleting data on physical visits to abortion clinics logged by the company's products.

Mr. Pichai said Google would "work on new ways to strengthen and improve these protections over time" in an email to employees following the announcement last month.

The petition this week pressed the company to go farther. It asked that Google introduce "immediate user data privacy controls for all health-related activity," such as searches related to reproductive issues, and to stop saving any user information related to abortion services. It also called on Google to fix "misleading search results related to abortion services by removing results for fake abortion providers."

Among its other demands, the workers asked Alphabet to extend certain reproductive healthcare benefits to contractors and take steps to limit advertisements on publishers of "disinformation related to abortion services."

Workers who signed the petition asked Alphabet to create a task force with 50% employee representation for handling abortion-related issues across the company.

"Our concerns are about how hugely impactful this is right now to our society, our democracy," said Alejandra Beatty, an Alphabet union organizer. "We need to be treating it as the true emergency that it is."

Stelter to Leave CNN After Show's End

By ALYSSA LUKPAT

Brian Stelter, the host of CNN's Sunday morning show "Reliable Sources," is leaving the network following the cancellation of the long-running media news program, the network said Thursday.

Mr. Stelter, who is also the network's chief media correspondent, will anchor his last episode on Sunday, a CNN spokesman said in a statement. The show's last edition will be this Sunday Aug. 21.

The canceling of "Reliable Sources," which has been on the network since 1992 and anchored by Mr. Stelter since 2013, is the first major programming move by new CNN Chairman and Chief Executive Chris Licht, who took over in May.

The decision to jettison "Reliable Sources" is part of an overhaul of the news channel's Sunday morning lineup, a person familiar with the network's thinking said.

The new leadership decided it no longer wanted to dedicate an hour of television examining its own industry, the

person said.

Mr. Stelter's departure comes amid a number of cost-cutting moves at CNN's parent company, Warner Bros. Discovery Inc. That included pulling the plug on the CNN+ in April, just weeks after the streaming service's launch.

"Reliable Sources," which aired at 11 a.m., has been averaging 787,000 viewers so far this year. While that is significantly less than the 1.5 million viewers Fox News' similarly themed show "Media Buzz" anchored by Howard Kurtz averages, it was CNN's biggest Sunday morning performer in terms of audience, according to Nielsen.

On the show, Mr. Stelter would typically critique and analyze journalistic coverage. He was often critical of Fox News and its coverage of politics. Much of his show for the past few years has focused on former President Donald Trump's relationship with the media. Mr. Stelter focused on partisanship in the media and the role it played in dividing the nation. Fox News parent Fox Corp. and Wall Street



Brian Stelter anchored 'Reliable Sources' since 2013.

Journal parent News Corp share common ownership.

Since taking over CNN, Mr. Licht indicated he would like to see the network shake the perception that it too is partisan in its political coverage and sensationalistic news coverage.

David Zaslav, chief executive of Warner Bros. Discovery, and John Malone, an influential member of the company's board, also expressed a desire to have CNN return more to its straight news roots.

In a statement, Mr. Stelter said, "it was a rare privilege to

lead a weekly show focused on the press at a time when it has never been more consequential."

He said he would further address the show's cancellation on the air this Sunday. While CNN and other units of Warner Bros. Discovery are in cost-cutting mode, Mr. Stelter's show was relatively inexpensive, people familiar with the matter said. As a weekly program, it had a smaller staff than other CNN shows, and Mr. Stelter's own salary was smaller than many other prominent anchors, they said.

The 36-year-old Mr. Stelter, who started his career as a media reporter by launching a blog while in college called TV Newser, landed at the New York Times at the age of 21.

He took over as anchor of "Reliable Sources" in 2013 when Mr. Kurtz left as host of the show to join Fox News and launch "Media Buzz."

Next month, CNN will launch "Who's Talking to Chris Wallace," an interview show in which Mr. Wallace will chat with cultural and political figures.

Streaming Overtakes Cable TV

Continued from page B1

they want, while traditional pay-TV is losing its appeal beyond live events like sports. "Appointment viewing is certainly dead for anything non-live," he said.

Broadcast TV's share of viewership shrank further in July to 21.6%, a nearly 10% decline from a year earlier, Nielsen said. It suffered during the month in part from a lack of new releases, which tend to start in earnest in September, and because a year ago, many households tuned into the Summer Olympics.

In summer months when school is out, children typically spend more time streaming content, which could have bolstered time spent on YouTube and other streaming platforms in July. There is also a dearth of major sporting events in the summer months, which would otherwise draw some audiences to cable channels where games often appear.

"Without sports there would be no [TV] bundle," Mr. Hodulik said.

High-profile sporting events are increasingly mak-



Finn Wolfhard and Millie Bobby Brown in a scene from Netflix's popular 'Stranger Things'

ing their way to streaming services like Apple Inc.'s Apple TV+, Comcast Corp.'s Peacock, Paramount Global's Paramount+ and Amazon's Prime Video.

Netflix has long been the dominant streaming platform and was the envy of some media companies as it accumulated subscribers and spent heavily on content. But it suffered its first subscriber loss in more than a decade in the first quarter and another in the second quarter.

This year, Netflix has put a sharper focus on costs, laying off hundreds of employees, stabilizing its expected spending on content and taking new steps like forming an ad-sup-

ported tier of its service to bring in fresh revenue. Executives said its content spending would likely hold steady in the range of the \$17 billion it expects to spend this year.

Executives from several streaming companies told investors in the past two months that they are trying to balance spending on top content while ensuring that they get a return on their investments through subscriptions and revenue growth.

JB Perrette, Warner Bros. Discovery Inc.'s CEO of global streaming, recently told analysts that the strategy embraced by some in the video-streaming industry—which he described as putting every-

thing on streaming, "overinvesting in content and offering it all at the same time for a low price"—wasn't something his company believed in.

Warner Bros. Discovery, the parent of HBO Max and Discovery+, this month made the unusual decision to pull the plug on the nearly completed superhero movie "Batgirl" that was made exclusively for HBO Max. In a subsequent call with investors to discuss the company's latest results, Chief Executive David Zaslav said the company's new approach was to put more emphasis on content quality.

"It's not about how much," Mr. Zaslav said. "It's about how good."

Lloyd's to Exclude State-Backed Hacks

By JAMES RUNDLE

Lloyd's of London Ltd. will require its insurer groups globally to exclude catastrophic state-backed hacks from stand-alone cyber insurance policies starting next year.

Lloyd's is a marketplace where roughly 75 syndicates of underwriters congregate to provide insurance coverage for businesses, organizations and individuals.

As of March 31, when coverage begins or is renewed, syndicates must exclude state-backed cyberattacks from policies that protect against physical and digital damage caused by hacks, Underwriting Director Tony Chaudhry said in a bulletin dated Aug. 16.

The move is designed to make sure insurers are clearly stating what they will and won't cover, as the ability of state-backed hacks to spread and cause damage could cause systemic risk in the insurance market, the notice said.

At a minimum, Mr. Chaudhry said, policies must contain clauses that exclude losses arising from a war, declared or otherwise, where the policy doesn't have a separate war exclusion.

They must also exclude

losses where a state-backed attack has a catastrophic effect on the target nation and impairs its ability to function. There must also be a robust process by which parties decide attribution for attacks, according to the notice.

Lloyd's didn't respond to a request for comment.

While exclusions for openly declared war are relatively straightforward, determining attribution for a nation-backed cyberattack is fraught with difficulty.

For instance, drawing a line between when a criminal group is simply acting in support of a nation or actually operating as a state agent, is a challenge, U.S. officials have previously said.

Brokers said that determining the degree of damage caused by an attack, which would trigger the exclusions, is similarly tough.

"For most market participants, it's not so much about nation-state activity as it is about when that level of activity rises to a degree of catastrophe in financial terms," said Gregory Eskins, U.S. and Canada cyber product leader at the Marsh brokerage unit of Marsh & McLennan Cos. "That's something we're all wrestling with."

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities.

Footnotes:
n-New 52-week high.
N-New 52-week low.
dd-Indicates loss in the most recent four quarters.

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 if their previous closing price was \$2 or higher.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like BostonPros BXP, BostonSci BSC, BristolMyers BMY.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like DiscoverFinSvcs DFS, Disney DIS, DLocal DLO.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like FifthThirdBncp FITB, FirstCitizBschA FNCA, FirstCitizBsch FNC.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like HyattHotels H, ICI Group ICL, ICL Group ICL.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like LockheedMartin LMT, Loews L, Logitech LOGI.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like M&T Bank MTB, MGM Resorts MGM, MPLX MPLX.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like MarathonOil MRO, MarathonPetrol MPT, Market M.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like Jd.com JD, JPMorganChase JPM, Jabil Jabil.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like DCP Midstream DCP, DISH Network DISH, DTE Energy DTE.

Table with columns: Stock, Sym, Close, Net Chg. Includes entries like Apple AAPL, Amazon AMZN, Alphabet A.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Table with columns: Thursday, August 18, 2022, Stock, Sym, Close, Net Chg. Includes entries like Amazon.com AMZN, Ambev ABEV, AmeriGas AMGR.

Table with columns: Thursday, August 18, 2022, Stock, Sym, Close, Net Chg. Includes entries like Avangrid AVR, Avantor AVT, AveryDennison AVY.

Table with columns: Thursday, August 18, 2022, Stock, Sym, Close, Net Chg. Includes entries like Avista AVA, AvisBudget CAR, AxonEnterprise AXON.

Table with columns: Thursday, August 18, 2022, Stock, Sym, Close, Net Chg. Includes entries like Avista AVA, AvisBudget CAR, AxonEnterprise AXON.

Table with columns: Thursday, August 18, 2022, Stock, Sym, Close, Net Chg. Includes entries like Avista AVA, AvisBudget CAR, AxonEnterprise AXON.

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CLASS ACTION
IN RE PIVOTAL SOFTWARE, INC. SECURITIES LITIGATION
Lead Case No. CGC-19-576750

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED PIVOTAL SOFTWARE, INC. ("PIVOTAL") OR THE "COMPANY" COMMON STOCK PURSUANT OR TRACEABLE TO THE REGISTRATION STATEMENT AND PROSPECTUS ISSUED IN CONNECTION WITH PIVOTAL'S APRIL 20, 2018 INITIAL PUBLIC OFFERING (THE "CLASS").

THIS NOTICE WAS AUTHORIZED BY THE COURT. IT IS NOT A LAWYER SOLICITATION. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOU ARE HEREBY NOTIFIED that a hearing will be held on DECEMBER 1, 2022, at 2:00 p.m. before the Honorable Andrew Y.S. Cheng in Department 613, Superior Court of California, County of San Francisco, 400 McAllister Street, San Francisco, CA 94102, to determine whether: (1) the proposed Settlement as set forth in the Amended Stipulation of Settlement dated April 15, 2022 ("Stipulation") of the above-captioned action ("Action") for \$2,750,000 in cash should be approved by the Court as fair, reasonable, and adequate; (2) the Plan of Allocation should be approved by the Court, as fair, reasonable, and adequate; (3) to award Plaintiffs' Counsel attorneys' fees and expenses out of the Settlement Fund (as defined in the Notice of Proposed Settlement of Class Action ("Notice"), which is discussed below), and if so in what amount; (4) to reimburse Plaintiffs for their time and expense in representing the Class, and if so in what amount; and (5) to enter the Judgment as provided under the Stipulation.

This Action is a securities class action brought on behalf of those Persons or Entities who purchased or otherwise acquired Pivotal Software, Inc. ("Pivotal") common stock pursuant or traceable to the registration statement and prospectus (the "Offering Documents") issued in connection with Pivotal's April 20, 2018 Initial Public Offering ("IPO"), and against Pivotal, Dell Technologies, Inc. ("Dell"), certain Pivotal officers and directors, and the underwriters of Pivotal's IPO, for allegedly making materially untrue or misleading statements in the Offering Documents filed with the U.S. Securities and Exchange Commission ("SEC") in connection with the IPO, which allegedly damaged Class Members. Defendants deny all of Plaintiffs' allegations. Persons or Entities who purchased or otherwise acquired Pivotal common stock before October 17, 2018 (the date upon which the lockup period expired) shall be presumed as being able to trace their purchases to the Offering.

IF YOU PURCHASED OR ACQUIRED PIVOTAL COMMON STOCK PURSUANT OR TRACEABLE TO THE OFFERING DOCUMENTS ISSUED IN CONNECTION WITH PIVOTAL'S IPO, YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF THIS ACTION.

To share in the distribution of the Net Settlement Fund, you must establish your rights by submitting a Proof of Claim and Release ("Proof of Claim") by mail (postmarked no later than NOVEMBER 7, 2022) or submitted electronically at www.pivotalshareholdersettlement.com no later than NOVEMBER 7, 2022. Your failure to submit your Proof of Claim by NOVEMBER 7, 2022, will subject your claim to rejection and preclude you from receiving any of the recovery in connection with the Settlement of this Action. If you are a Member of the Class and do not request exclusion, you will be bound by the Settlement and any judgment and release entered in the Action, including, but not limited to, the Judgment, whether or not you submit a Proof of Claim. Plaintiffs' Counsel represents you and other Members of the Class. If you want to be represented by your own lawyer, you may hire one at your own expense. To the extent you file a Proof of Claim and a Request for Exclusion, the Claims Administrator shall communicate with you in writing to give you an opportunity to cure the conflicting requests submitted and to advise the Claims Administrator whether you are seeking to be part of the Class and, thus, be eligible for their pro rata share of the recovery, or alternatively, whether you wish to be excluded as a member of the settlement class.

Distributions will be made to Authorized Claimants by the Claims Administrator after all claims have been processed and after the Court has finally approved the Settlement. Authorized Claimants will have ninety (90) days to check their checks. For Authorized Claimants whose checks are returned as undeliverable, the Claims Administrator will endeavor to locate new addresses for the recipient. Where a new address is located, the Claims Administrator will update the database accordingly and re-issue a distribution check to the Authorized Claimant at the new address. In the event the Authorized Claimant loses or damages his, her, or its check, or otherwise requires a new check, the Claims Administrator will issue replacements only upon written instructions from the Authorized Claimant, provided that the Authorized Claimant returns the previous check where appropriate. For all checks, the Claims Administrator will void the initial payment prior to reissuing a payment. Authorized Claimants requesting re-issuance of checks will be informed that, if they do not check their Initial Distribution checks within 30 days of the mailing of such reissued check, their check will lapse, their entitlement to recovery will be irrevocably forfeited, and the funds will be re-allocated to other Authorized Claimants. Reissue requests for lost or damaged checks will be granted after the void date on the checks, however, void dates on such reissues will be adjusted so as not to delay future re-distributions.

If you have not received a copy of the Notice, which more completely describes the Settlement and your rights thereunder (including your right to object to the Settlement or exclude yourself from the Class), and a Proof of Claim form, you may obtain these documents, as well as a copy of the Stipulation (which, among other things, contains definitions for the defined terms used in this Summary Notice) and other Settlement documents, online at www.pivotalshareholdersettlement.com, or by writing to:

Pivotal Shareholder Litigation Settlement
Claims Administrator
c/o A.B. Data Ltd.
P.O. Box 173081
Milwaukee, WI 53217
Phone: 877-829-4296
www.pivotalshareholdersettlement.com

Inquiries may also be made to a representative of Plaintiffs' Counsel:

HEDIN HALL LLP
David W. Hall
Four Embarcadero Center, Suite 1400
San Francisco, CA 94104
Phone: 415-766-3534

SCOTT+SCOTT ATTORNEYS AT LAW LLP
Thomas L. Laughlin, IV
230 Park Avenue, 17th Floor
New York, NY 10169
Phone: 212-419-3171

HAGENS BERMAN SOBOL SHAPIRO LLP
Reed R. Kathrein
715 Hearst Avenue, Suite 202
Berkeley, CA 94710
Phone: 510-725-3000

Inquiries should NOT be directed to Defendants, the Court, or the Clerk of the Court.

TO BE EXCLUDED FROM THE CLASS, YOU MUST SUBMIT A WRITTEN REQUEST FOR EXCLUSION BY SENDING A SIGNED LETTER IN THE MAIL TO THE CLAIMS ADMINISTRATOR THAT IT IS POSTMARKED NO LATER THAN NOVEMBER 1, 2022. SUCH A REQUEST FOR EXCLUSION MUST INCLUDE YOUR NAME, ADDRESS, E-MAIL ADDRESS, TELEPHONE NUMBER, AND THE DATE, PRICE AND NUMBER OF SHARES OF PIVOTAL COMMON STOCK PURCHASED OR OTHERWISE ACQUIRED PURSUANT OR TRACEABLE TO THE REGISTRATION STATEMENT AND PROSPECTUS ISSUED IN CONNECTION WITH PIVOTAL'S APRIL 2018 IPO. ALL MEMBERS OF THE CLASS WHO HAVE NOT REQUESTED EXCLUSION FROM THE CLASS WILL BE BOUND BY THE SETTLEMENT ENTERED IN THE LITIGATION EVEN IF THEY DO NOT FILE A TIMEELY PROOF OF CLAIM.

IF YOU ARE A CLASS MEMBER, YOU HAVE THE RIGHT TO OBJECT TO THE SETTLEMENT, THE PLAN OF ALLOCATION, AND/OR THE REQUEST BY PLAINTIFFS' COUNSEL FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES. IN ORDER FOR ANY OBJECTION TO BE CONSIDERED, YOU MUST SEND A WRITTEN STATEMENT, ACCOMPANIED BY PROOF OF CLASS MEMBERSHIP, TO THE CLAIMS ADMINISTRATOR SUCH THAT IS IT POSTMARKED NO LATER THAN NOVEMBER 1, 2022.

ATTENDANCE AT THE SETTLEMENT FAIRNESS HEARING IS NOT NECESSARY. IT IS NOT NECESSARY TO FILE A WRITTEN OBJECTION IN ORDER TO APPEAR AT THE SETTLEMENT FAIRNESS HEARING TO PRESENT YOUR OBJECTION TO THE COURT.

DATED: AUGUST 19, 2022

You can view this Action's full docket on the Court's website (https://www.sf.uscourts.org/online-services/) free of charge by inputting the case number (CGC-19-576750).

BUSINESS OPPORTUNITIES
FARM WITH US - Red River Valley Farmer

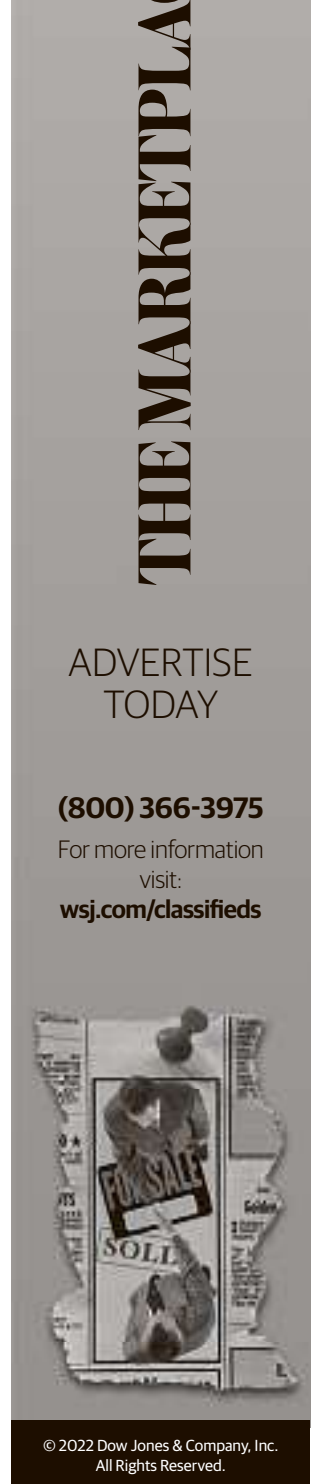
Long term investment in a finite resource with stable returns. Seeking parties interested in investing in North Dakota farmland. Returns gained through cash rent or sharecrop lease. 1031 Exchange options available. For additional information see: www.sproulefarms.com paul@pdsproule.com

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Dividend Changes

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record. Includes entries like Apple Hospitality REIT, Group 1 Automotive, Stock Yards Bancorp.

Stocks

Table with columns: Company, Symbol, Yld%, Amount New/Old, Frq, Payable/Record. Includes entries like Iteum Therapeutics, Amcor, Embotell Andina A ADR.

Special

Table with columns: NL Industries, NL, 27, 35, Aug31/Aug22.

Sources: FactSet; Dow Jones Market Data

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; S0: spin-off.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % CHG-Daily percentage change from the previous trading session.

Table with columns: Thursday, August 18, 2022, Stock, Sym, Hi/Low, % Chg, Stock, Sym, Hi/Low, % Chg, Stock, Sym, Hi/Low, % Chg. Includes entries like ADMA Biologics ADMA, AGBA Acquisition AGBA, ATN Int'l ATNI.

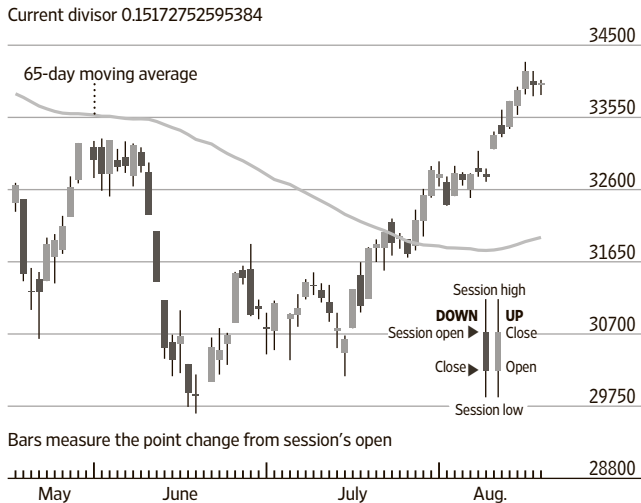
MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

33999.04 ▲ 18.72, or 0.06%
 High, low, open and close for each trading day of the past three months.

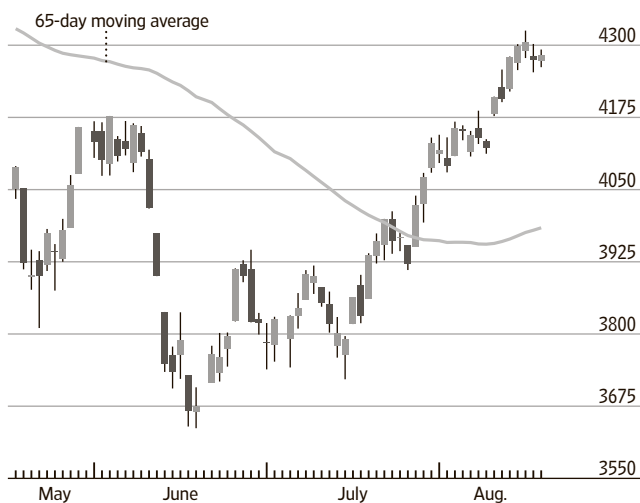
Last Year ago
 Trailing P/E ratio 19.98 23.46
 P/E estimate * 17.90 19.50
 Dividend yield 2.08 1.81
 All-time high 36799.65, 01/04/22



S&P 500 Index

4283.74 ▲ 9.70, or 0.23%
 High, low, open and close for each trading day of the past three months.

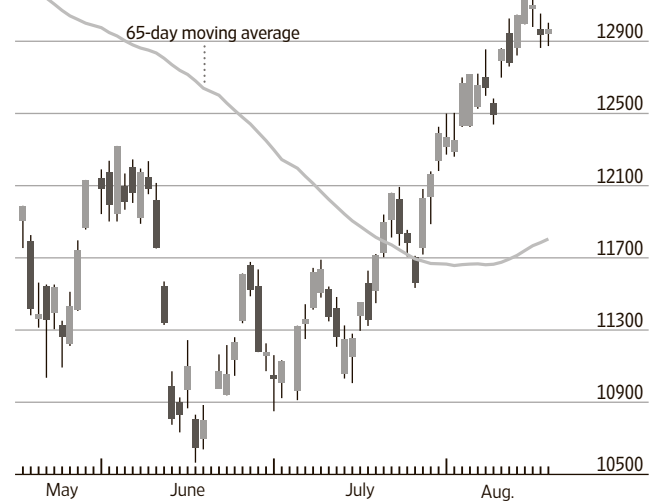
Last Year ago
 Trailing P/E ratio * 22.75 31.31
 P/E estimate * 18.69 22.29
 Dividend yield * 1.54 1.32
 All-time high 4796.56, 01/03/22



Nasdaq Composite Index

12965.34 ▲ 27.22, or 0.21%
 High, low, open and close for each trading day of the past three months.

Last Year ago
 Trailing P/E ratio ** 27.36 35.74
 P/E estimate ** 24.32 29.06
 Dividend yield ** 0.82 0.67
 All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	52-Week High	52-Week Low	% chg	YTD	3-yr. ann.
Dow Jones										
Industrial Average	34043.83	33844.46	33999.04	18.72	0.06	36799.65	29888.78	-2.6	-6.4	9.5
Transportation Avg	15070.50	14897.46	15035.34	119.86	0.80	17039.38	12868.60	3.5	-8.8	14.7
Utility Average	1061.13	1053.47	1057.22	3.36	0.32	1071.75	869.74	12.4	7.8	8.3
Total Stock Market	43255.80	42941.48	43169.52	112.99	0.26	48929.18	36759.60	-5.0	-11.2	13.4
Barron's 400	998.08	986.68	996.70	10.02	1.02	1127.20	852.16	-1.5	-9.9	15.1
Nasdaq Stock Market										
Nasdaq Composite	13002.66	12873.49	12965.34	27.22	0.21	16057.44	10646.10	-10.8	-17.1	18.0
Nasdaq-100	13553.28	13405.74	13505.99	35.13	0.26	16573.34	11127.57	-9.6	-17.2	21.1
S&P										
500 Index	4292.53	4261.98	4283.74	9.70	0.23	4796.56	3666.77	-2.8	-10.1	14.0
MidCap 400	2623.32	2602.29	2619.93	20.18	0.78	2910.70	2200.75	-0.9	-7.8	11.8
SmallCap 600	1293.03	1279.52	1291.22	10.68	0.83	1466.02	1087.48	-0.7	-7.9	12.0
Other Indexes										
Russell 2000	2003.01	1982.59	2000.73	13.41	0.68	2442.74	1649.84	-6.2	-10.9	10.2
NYSE Composite	15785.74	15691.19	15763.90	29.78	0.19	17353.76	14097.05	-4.0	-8.2	7.8
Value Line	595.18	590.33	594.46	3.17	0.54	696.40	510.18	-7.5	-11.5	6.0
NYSE Arca Biotech	4963.56	4892.90	4929.23	-34.33	-0.69	6019.57	4208.43	-13.0	-10.7	2.6
NYSE Arca Pharma	802.31	792.03	796.13	-4.56	-0.57	887.27	732.23	-1.0	-3.8	11.4
KBW Bank	114.46	113.43	114.38	-0.01	-0.01	147.56	98.36	-7.9	-13.5	7.7
PHLX ^S Gold/Silver	107.19	105.87	106.73	0.73	0.69	167.76	100.65	-15.1	-19.4	4.8
PHLX ^S Oil Service	69.97	67.78	69.80	3.15	4.73	88.37	48.31	44.5	32.4	3.7
PHLX ^S Semiconductor	3058.56	2967.14	3037.84	67.72	2.28	4039.51	2458.46	-6.1	-23.0	27.1
Cboe Volatility	20.61	19.43	19.56	-0.34	-1.71	36.45	15.01	-9.7	13.6	1.9

*Weekly P/E data based on as-reported earnings from Birinyi Associates Inc. †Based on Nasdaq-100 Index
 ‡Nasdaq PHLX
 Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
Bed Bath Beyond	BBBY	28,079.2	10.80	-7.75	-41.78	18.85	10.80
SPDR S&P 500	SPY	5,365.0	427.78	-0.12	-0.03	428.01	427.50
E2open Parent	ETWO	5,107.8	7.71	...	unch.	8.10	7.71
Invesco QQQ Trust I	QQQ	4,221.3	329.32	0.04	0.01	329.64	310.04
Playtika Holding	PLTK	3,590.5	11.35	-0.03	-0.26	11.38	11.35
iSh Natl Muni Bd	MUB	3,504.9	107.17	-0.02	-0.02	107.19	107.17
iShares Russell 2000 ETF	IWM	2,442.2	198.62	-0.30	-0.15	199.07	198.52
KE Holdings ADR	BEKE	2,377.9	15.95	-0.03	-0.19	15.98	15.86

Percentage gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Bill.com Holdings	BILL	615.5	178.80	29.40	19.68	180.00	145.50
Microvast Holdings	MVST	1,125.6	2.99	0.45	17.72	3.27	2.50
GigaCloud Technology	GCT	234.7	16.51	0.82	5.23	17.15	14.17
Sotera Health	SHC	204.7	20.84	0.99	4.99	20.84	19.85
System1	SST	142.8	11.99	0.49	4.26	12.85	11.08

...And losers

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Bed Bath Beyond	BBBY	28,079.2	10.80	-7.75	-41.78	18.85	10.80
GameStop CI A	GME	1,184.7	33.99	-3.94	-10.39	38.20	33.56
Grove Collaborative	GROV	131.1	6.55	-0.43	-6.16	7.17	6.44
Kirkland's	KIRK	117.2	4.93	-0.28	-5.37	5.28	4.90
Larimar Therapeutics	LRMR	78.9	2.74	-0.15	-5.19	2.99	2.53

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	672,935,064	12,430,638
Adv. volume*	377,169,151	7,594,707
Decl. volume*	283,108,535	4,230,155
Issues traded	3,318	281
Advances	1,816	149
Declines	1,315	121
Unchanged	187	11
New highs	55	3
New lows	30	5
Closing Arms*	1.19	0.37
Block trades*	3,869	141
	Nasdaq	NYSE Arca
Total volume*	4,621,130,293	191,888,465
Adv. volume*	2,622,144,497	99,204,265
Decl. volume*	1,962,528,931	91,880,078
Issues traded	4,772	1,695
Advances	2,448	1,035
Declines	2,070	639
Unchanged	254	21
New highs	79	11
New lows	72	6
Closing Arms*	0.89	1.54
Block trades*	30,251	894

*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.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	MSCI ACWI	655.39	0.32	0.05	-13.2
	MSCI ACWI ex-USA	288.02	-0.62	-0.21	-16.4
	MSCI World	2826.41	3.54	0.13	-12.5
	MSCI Emerging Markets	1009.58	-6.01	-0.59	-18.1
Americas	MSCI AC Americas	1630.32	3.34	0.21	-10.8
Canada	S&P/TSX Comp	20265.37	83.93	0.42	-4.5
Latin Amer.	MSCI EM Latin America	2230.99	-7.48	-0.33	4.7
Brazil	BOVESPA	113812.87	105.11	0.09	8.6
Chile	S&P IPSA	3294.20	-36.83	-1.11	17.4
Mexico	S&P/BMV IPC	48729.80	-4.24	-0.01	-8.5
EMEA	STOXX Europe 600	440.76	1.73	0.39	-9.6
Eurozone	Euro STOXX	416.16	1.70	0.41	-13.1
Belgium	Bel-20	3804.09	-16.56	-0.43	-11.7
Denmark	OMX Copenhagen 20	1709.18	-23.50	-1.36	-8.3
France	CAC 40	6557.40	29.08	0.45	-8.3
Germany	DAX	13697.41	70.70	0.52	-13.8
Israel	Tel Aviv	2054.88	21.06	1.04	3.9
Italy	FTSE MIB	22985.70	227.89	1.00	-15.9
Netherlands	AEX	725.86	2.77	0.38	-9.0
Russia	RTS Index	1162.30	25.90	2.28	-27.2
South Africa	FTSE/JSE All-Share	71011.38	44.03	0.06	-3.7
Spain	IBEX 35	8430.30	-4.50	-0.05	-3.3
Sweden	OMX Stockholm	821.37	7.72	0.95	-20.8
Switzerland	Swiss Market	11167.59	39.40	0.35	-13.3
Turkey	BIST 100	3020.01	40.01	1.34	62.6
U.K.	FTSE 100	7541.85	26.10	0.35	2.1
U.K.	FTSE 250	20136.65	109.61	0.55	-14.2
Asia-Pacific	MSCI AC Asia Pacific	162.10	-0.86	-0.53	-16.1
Australia	S&P/ASX 200	7112.80	-14.88	-0.21	-4.5
China	Shanghai Composite	3277.54	-14.99	-0.46	-10.0
Hong Kong	Hang Seng	19763.91	-158.54	-0.80	-15.5
India	S&P BSE Sensex	60298.00	37.87	0.06	3.5
Japan	NIKKEI 225	28942.14	-280.63	-0.96	0.5
Singapore	Straits Times	3273.48	10.72	0.33	4.8
South Korea	KOSPI	2508.05	-8.42	-0.33	-15.8
Taiwan	TAIEX	15396.76	-68.69	-0.44	-15.5
Thailand	SET	1636.07	-3.65	-0.22	-1.3

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Indonesia Energy	INDO	7.84	1.99	34.02	86.99	2.61	56.2
Genius Group	GNS	8.51	2.13	33.39	36.75	3.45	...
Wolfspeed	WOLF	112.94	27.29	31.86	142.33	58.07	41.7
GigaCloud Technology	GCT	15.69	3.44	28.08	21.22	12.25	...
Weber	WEBR	10.00	2.14	27.23	18.43	5.72	-36.3
Golden Sun Education	GSUN	66.15	13.24	25.02	77.00	13.41	...
Larimar Therapeutics	LRMR	2.89	0.57	24.57	15.26	1.53	-79.1
Grove Collaborative	GROV	6.98	1.30	22.89	12.50	3.75	-27.8
Milestone Pharm	MIST	7.76	1.26	19.38	8.24	3.98	45.0
Mannatech	MTEX	23.50	3.50	17.50	43.10	15.49	-26.6
AdvisorShrs Psychedelics	PSIL	3.75	0.54	16.64	10.70	2.50	...
Brooge Energy	BROG	8.45	1.20	16.55	9.95	6.71	-0.2
Canadian Solar	CSIQ	45.19	5.96	15.19	47.69	22.15	41.3
Fulcrum Therapeutics	FULC	8.53	1.12	15.11	33.10	3.21	-62.4
FlexShopper	FPAY	2.72	0.35	14.77	3.82	0.83	17.7

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Mind Medicine (MindMed)	MNMD	226,294	7611.0	1.02	36.18	2.97	0.53

COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures					
	Open	Contract High	Low	Settle	Open interest
Copper-High (COM-25,000 lbs., \$ per lb.)					
Aug	3.5965	3.6705	3.5510	3.6465	0.0485 1,092
Dec	3.5965	3.6705	3.5510	3.6360	0.0460 76,012
Gold (COM-100 troy oz., \$ per troy oz.)					
Aug	1762.90	1762.90	1753.40	1755.30	-5.00 926
Sept	1763.00	1771.00	1754.60	1765.10	-5.40 3,604
Oct	1766.30	1775.90	1758.90	1761.10	-5.40 39,832
Dec	1777.10	1786.30	1768.80	1771.20	-5.50 377,906
Feb'23	1789.60	1798.80	1782.30	1784.20	-5.40 20,161
April	1807.50	1809.60	1794.80	1796.40	-5.40 7,448
Palladium (NYM-50 troy oz., \$ per troy oz.)					
Aug	2150.50	2197.50	2143.00	2164.20	13.70 4,137
Dec	2150.50	2197.50	2143.00	2164.20	13.70 4,137
Platinum (NYM-50 troy oz., \$ per troy oz.)					
Aug	921.40	928.70	903.20	903.60	-14.40 3
Oct	921.40	928.70	903.20	904.90	-14.40 51,973
Silver (COM-5,000 troy oz., \$ per troy oz.)					
Aug	19.720	19.725	19.720	19.448	-0.263 63
Dec	19.845	19.995	19.515	19.569	-0.276 79,362
Crude Oil, Light Sweet (NYM-1,000 bbls., \$ per bbl.)					
Sept	87.39	91.46	87.32	90.50	2.39 60,685
Oct	87.10	91.03	86.92	90.11	2.42 248,187
Nov	86.73	90.54	86.62	89.67	2.37 128,429
Dec	86.22	89.93	86.15	89.08	2.24 195,398
June'23	83.03	85.48	82.82	84.74	1.73 123,801
Dec	80.14	82.04	80.01	81.25	0.73 129,553
NY Harbor ULSD (NYM-42,000 gal., \$ per gal.)					
Sept	3.6085	3.6874	3.5817	3.6497	0.023 44,542
Oct	3.5997	3.6385	3.5733	3.6033	0.051 62,041
Gasoline-NY RBOB (NYM-42,000 gal., \$ per gal.)					
Sept	2.9314	3.0539	2.9257	3.0261	0.016 53,856
Oct	2.7015	2.8119	2.7000	2.7884	0.077 77,321
Natural Gas (NYM-10,000 MMBtu, \$ per MMBtu)					
Sept	9.166	9.663	8.913	9.188	-0.56 52,858
Oct	9.159	9.640	8.862	9.170	-0.58 116,192
Nov	9.250	9.677	8.968	9.242	-0.55 120,038
Jan'23	9.434	9.850	9.151	9.413	-0.52 84,793
April	5.599	5.710	5.538	5.656	0.063 70,318
May	5.405	5.506	5.378	5.485	0.069 73,442
Agriculture Futures					
Corn (CBT-5,000 bu., cents per bu.)					
Sept	615.00	624.00	608.25	619.75	4.75 154,523
Dec	612.00	620.50	604.00	615.75	3.75 696,508
Oats (CBT-5,000 bu., cents per bu.)					
Sept	428.50	430.00	403.75	412.75	-19.00 266
Dec	404.00	404.00	375.00	381.00	-23.25 2,181
Soybeans (CBT-5,000 bu., cents per bu.)					
Sept	1475.00	1499.75	1467.25	1495.50	20.25 23,460
Nov	1390.00	1413.00	1376.50	1405.25	15.25 321,741
Soybean Meal (CBT-100 tons, \$ per ton)					
Sept	441.00	450.50	440.60	449.40	8.80 49,269
Dec	400.80	411.30	399.00	407.90	7.30 190,089
Soybean Oil (COM-60,000 lbs., cents per lb.)					
Sept	67.56	67.88	65.34	66.26	-1.15 49,989
Dec	65.66	65.99	63.38	64.27	-1.33 140,325
Rough Rice (CBT-2,000 cwt., \$ per cwt.)					
Sept	16.66	16.69	16.50	16.56	-1.11 6,354
Nov	16.96	16.99	16.80	16.85	-1.10 2,351

	Open	Contract High	Low	Settle	Chg	Open interest
Wheat (CBT-5,000 bu., cents per bu.)						
Sept	764.75	766.50	725.75	731.50	-31.75 60,867	
Dec	781.75	783.50	743.25	749.00	-31.50 153,134	
Wheat (KC)-5,000 bu., cents per bu.						
Sept	851.75	853.50	807.50	812.50	-38.50 24,784	
Dec	854.75	855.50	808.50	815.25	-37.75 80,143	
Cattle-Feed (CME)-50,000 lbs., cents per lb.						
Aug	183.150	183.325	181.275	181.525	-1.725 3,325	
Oct	189.500	189.800	187.350	187.675	-1.875 14,185	
Cattle-Live (CME)-40,000 lbs., cents per lb.						
Aug	141.775	142.000	141.200	141.275	-1.475 4,090	
Oct	145.800	145.950	144.650	144.750	-1.100 118,370	
Hogs-Lean (CME)-40,000 lbs., cents per lb.						
Oct	97.475	97.525	93.300	93.300	-4.750 93,946	
Dec	88.000	88.000	85.000	85.175	-3.250 70,892	
Lumber (CME)-110,000 bd. ft., \$ per 1,000 bd. ft.						
Sept	595.90	596.40	560.00	565.50	-32.90 1,306	
Nov	583.10	583.10	547.20	549.80	-33.20 827	
Milk (COM)-200,000 lbs., cents per lb.						
Aug	20.07	20.12	20.05	20.08	-0.09 4,048	
Sept	20.61	20.66	20.16	20.26	-0.41 5,669	
Cocoa (ICE-US)-10 metric tons, \$ per ton.						
Sept	2,400	2,433	2,382	2,402	2 16,406	
Dec	2,428	2,454	2,400	2,422	1 146,700	
Coffee (ICE-US)-37,500 lbs., cents per lb.						
Sept	218.00	220.70	214.35	214.70	-2.75 19,961	
Dec	214.80	217.75	211.40	211.85	-2.55 92,083	
Sugar-World (ICE-US)-112,000 lbs., cents per lb.						
Oct	18.28	18.28	17.75	17.77	-0.47 300,507	
March'23	18.28	18.28	17.75	17.77	-0.44 199,204	
Sugar-Domestic (ICE-US)-112,000 lbs., cents per lb.						
Nov	35.99	
Cotton (ICE-US)-50,000 lbs., cents per lb.						
Oct	118.74	118.75	118.74	117.12	-1.20 120	
Dec	113.90	114.90	111.71	112.70	-84 107,088	
Orange Juice (ICE-US)-15,000 lbs., cents per lb.						
Sept	170.00	170.00	167.00	167.85	-2.30 4,381	
Nov	167.50	167.50	164.60	165.20	-2.50 5,202	

	Open	Contract High	Low	Settle	Chg	Open interest
Dec	96.850	96.1250	96.0400	96.1050	0.000 1,699,914	
March'23	96.0450	96.1250	96.0050	96.0900	0.050 1,073,402	
Dec	96.4950	96.5950	96.4400	96.5350	0.040 994,014	
Currency Futures						
Japanese Yen (CME)-¥12,500,000, \$ per 100¥						
Sept	7418	7443	7373	7374	-0.048 223,369	
Dec	7494	7508	7439	7440	-0.049 2,555	
Canadian Dollar (CME)-CAD100,000, \$ per CAD						
Sept	7743	7762	7710	7725	-0.026 136,677	
Dec	7734	7758	7708	7723	-0.026 10,992	
British Pound (CME)-£67,500, \$ per £						
Sept	1.2057	1.2086	1.1928	1.1937	-0.133 223,419	
Dec	1.2075	1.2106	1.1949	1.1957	-0.133 5,893	
Swiss Franc (CME)-CHF125,000, \$ per CHF						
Sept	1.0535	1.0551	1.0471	1.0478	-0.058 38,112	
Dec	1.0565	-0.060	649			
Australian Dollar (CME)-AUD100,000, \$ per AUD						
Sept	6940	6973	6902	6920	-0.027 160,319	
Dec	6946	6981	6911	6929	-0.027 1,805	
Mexican Peso (CME)-MXN500,000, \$ per MXN						
Sept	0.04979	0.04989	0.04926	0.04937	-0.00033 199,664	
Dec	0.04883	0.04900	0.04840	0.04850	-0.00033 630	
Euro (CME)-€125,000, \$ per €						
Sept	1.0197	1.0213	1.0099	1.0110	-0.0097 678,320	

	Open	Contract High	Low	Settle	Chg	Open interest
Dec	1.0264	1.0282	1.0168	1.0177	-0.009 9,956	
Index Futures						
Mini DJ Industrial Average (CBT)-\$5 x index						
Sept	33994	34056	33823	33981	18 78,803	
Dec	34045	34157	33920	34071	18 868	
S&P 500 (CME)-\$50 x index						
Sept	4279.50	4295.50	4258.00	4286.50	9.75 2,300,272	
Dec	4293.00	4313.50	4276.50	4304.75	9.50 50,051	
Mini S&P Midcap 400 (CME)-\$100 x index						
Sept	2605.40	2625.30	2595.10	2621.50	20.40 48,943	
Dec	2627.60	2637.00	2615.80	2627.60	15.80 4	
Mini Nasdaq 100 (CME)-\$20 x index						
Sept	13503.00	13575.50	13410.75	13523.25	30.00 255,852	
Dec	13573.50	13653.00	13495.75	13603.00	29.00 4,592	
Mini Russell 2000 (CME)-\$50 x index						
Sept	1991.90	2005.30	1981.40	2001.70	12.60 517,128	
Dec	1994.40	2011.00	1988.60	2008.30	12.70 4,569	
Mini Russell 1000 (CME)-\$50 x index						
Sept	2346.60	2362.30	2346.30	2358.70	5.60 13,483	
U.S. Dollar Index (ICE-US)-\$1,000 x index						
Sept	106.58	107.50	106.43	107.42	.93 57,705	
Dec	106.15	107.16	106.11	107.11	.94 955	

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session				Closing Chg YTD			
Thursday, August 18, 2022	Symbol	Price	YTD (%)	ETF	Symbol	Price	YTD (%)
ENFR	ENFR	171.06	-0.03 -16.3	iShares MSCI EAFE Value	EFV	44.45	-0.29 -11.8
CSX	CSX	77.16	0.34 0.1	iShares Nat'l Mun Bd	MUB	107.19	-0.11 -7.8
DimeUS	DFAC	26.45	0.53 -8.7	iShares 5-10 Year Corp Bd	IGSB	50.89	0.18 -5.5
ENSL	XLE	79.48	2.69 4.32	iShares Russell 1000 Growth	IWF	256.08	0.24 -16.2
FinSel	XLF	35.67	0.11 -8.7	iShares Russell 1000 Value	IWR	160.16	0.26 -4.6
Health	XLV	132.56	-0.44 -5.9	iShares Russell 2000	IWM	198.92	0.66 -10.0
IndSec	XLI	100.13	0.40 -5.4	iShares Mid-Cap	IWC	74.16	0.30 -10.7
Invsc	QQQ	329.28	0.24 -17.2	iShares MSCI Value	IWS	114.80	0.29 -6.2
Invsc	RSP	151.44	0.32 -6.9	iShares Russell 2000	IWM	198.92	0.66 -10.0
iSho	STIP	101.14	0.18 -4.5	iShares P500 Growth	IVG	70.96	0.17 -15.2
iSho	DGRO	52.61	0.32 -5.3	iShares P500 Value	IVV		

BANKING & FINANCE

CEO Who Pledged Pay Cut Steps Down

By Allison Prang

The chief executive of a Seattle company, who several years ago said he would cut his own salary to give his employees a raise, resigned this week amid charges of assault and reckless driving that were brought against him.

Dan Price, the founder and now former CEO of payment processing company Gravity Payments, garnered attention in 2015 when he told his more than 100 employees that everyone at the company was going to make at least \$70,000. He also said he was cutting his own salary from \$1.1 million to \$70,000.

Some employees' salaries would have more than doubled from the move.

A video of the announcement went viral at the time

and yielded a positive reaction from company customers. On its website, the company said employee turnover declined after it raised the minimum pay.

Mr. Price, in a note to employees posted on Twitter, said his presence had become a distraction at the company. "I also need to step aside from these duties to focus full time on fighting false accusations made against me," he wrote.

Tammi Kroll, the company's operating chief, has been named CEO, Mr. Price said.

Mr. Price's departure comes several months after he was charged with assault and reckless driving. A woman filed a police report in January after meeting with Mr. Price at a Seattle restaurant. The woman alleged in the report

that Mr. Price tried to kiss her multiple times in his car and then grabbed her throat when she rejected his advances.

Mr. Price also allegedly "did donuts"—driving a car in tight circles—in the parking lot while she was a passenger in his car.

Mr. Price, who pleaded not guilty in May to the assault and the reckless driving charges, didn't immediately respond to a request for comment.

Mark Middaugh, a lawyer for Mr. Price, declined to comment and referred to a statement to the Seattle Times in April that the allegations against Mr. Price are "absolutely false."

The next hearing is set for Sept. 30.

—Jennifer Calfas contributed to this article.



A woman alleges Dan Price tried to kiss her and grabbed her throat when she rejected him.

HUTTON SUPANIC/GETTY IMAGES FOR SASX

U.S. Links Russian to Laundering

By Mengqi Sun

A Russian national who was extradited to Portland, Ore., from the Netherlands this week pleaded not guilty to charges of allegedly laundering cryptocurrency proceeds from ransomware attacks in the U.S. and abroad, the Justice Department said.

Denis Dubnikov, a 29-year-old Russian, was arraigned in federal court for the District of Oregon on Wednesday. Prosecutors alleged that Mr. Dubnikov and his co-conspirators laundered bitcoin extracted from victims of Ryuk ransomware attacks through financial transactions, in both crypto and fiat currencies, to conceal the source of the funds.

After entering his plea, Mr. Dubnikov was released from

custody under several conditions, including monitoring of his computer activity, according to court documents.

At least 12 more individuals are facing charges in the case, according to a court indictment unsealed on Wednesday. Their names were redacted in the indictment, and prosecutors didn't identify Mr. Dubnikov's alleged co-conspirators.

A Moscow entrepreneur, Mr. Dubnikov was detained while on vacation in Mexico last November, The Wall Street Journal previously reported. He was expelled from Mexico and put on a plane to Amsterdam, where Dutch police arrested him on Nov. 2 on a U.S. charge of conspiracy to commit money-laundering, according to his lawyer Arkady

Bukh. He intended to plead not guilty to a U.S. charge of conspiracy to commit money-laundering, his lawyer said at the time.

The DOJ accused Mr. Dubnikov of receiving and laun-

Denis Dubnikov pleaded not guilty to charges related to bitcoin proceeds.

dering more than \$400,000 in Ryuk proceeds in 2019, and alleges those involved in the conspiracy laundered at least \$70 million in ransom proceeds.

Identified in 2018, Ryuk is a

type of ransomware that encrypts files and attempts to delete any system backups on a computer or network. The Ryuk actors directed victims to pay in bitcoin and provided them with a wallet address to make the ransom payments, according to court documents.

Ryuk has been used to target thousands of victims worldwide, and U.S. authorities have identified it as an increasing threat, particularly to hospitals and healthcare providers in the U.S.

Mr. Dubnikov is scheduled to face a jury trial starting on Oct. 4. If convicted, he faces up to 20 years in prison.

David Angeli, an attorney at Angeli Law Group LLC in Portland, Ore., who is representing Mr. Dubnikov, declined to comment.

3M Unit Defends Bid To Shield Its Parent

By Akiko Matsuda

Lawyers representing 3M Co.'s bankrupt Aearo Technologies LLC subsidiary defended its request to a bankruptcy judge to extend a litigation stay to the parent company to resolve mass earplug lawsuits, saying such a move would be in line with other court rulings.

Aearo Technologies lawyer Chad Husnick on Wednesday said before Judge Jeffrey Graham of the U.S. Bankruptcy Court in Indianapolis that even though 3M itself didn't file for bankruptcy, it also should be shielded from the 230,000 pending lawsuits that alleged 3M's military earplugs were defective. Without the protection, Mr. Husnick said, mass lawsuits would continue against 3M in the U.S. District Court in Pensacola, Fla., and would complicate Aearo's restructuring.

"Without this requested relief, we will have continued chaos with no focus," Mr. Husnick said, referring to multiple motions filed with the district court by personal-injury lawyers suing 3M since Aearo's bankruptcy filing last month. Those lawyers wanted the district judge to stop 3M's plan to shift the pending earplug lawsuits to the bankruptcy court, but the judge rejected their requests and instead will allow a

bankruptcy court to decide whether to shield 3M from ongoing litigation.

Mr. Husnick said Aearo's request to extend a litigation stay to its parent company was in line with recent rulings, including the one by Judge Michael Kaplan of the U.S. Bankruptcy Court in Trenton, N.J., that has allowed an automatic-stay extension to Johnson & Johnson in its subsidiary LTL Management LLC's chapter 11 to resolve talc-related mass lawsuits against J&J.

Mr. Husnick said Aearo's request was even more legitimate because the 3M subsidiary is an "organic structure" that has been in existence for many years, while in some earlier cases, companies used a merger strategy known as the Texas Two-Step. "We're not a Texas Two-Step," Mr. Husnick said. "This is not a sham transaction."

Under agreements signed between Aearo and 3M, the parent company has committed to pay \$240 million to fund Aearo's reorganization process and an unlimited amount toward settling the earplug litigation. In return, 3M would be shielded from all pending and future earplug lawsuits.

Judge Graham concluded the three-day hearing and said he would issue his ruling in writing in the coming weeks.

Tether Switches Auditor

Continued from page B1

Tether's quarterly attestations in July. Tether said it is working toward releasing monthly attestation reports but didn't provide a timeline.

"Auditors will weigh in on

risk management and financial controls. That type of thing doesn't show up in the attestations," said Steven Kelly, a senior research associate focusing on financial stability at the Yale School of Management.

Mr. Kelly said competitive pressures in the market have forced Tether to become more transparent, but it still isn't enough. "If you are going to be regulated by the market, you have to be 100% transparent," he said.

Concerns about Tether's reserves flared up after the stable-

coin fell from its \$1 peg to 95 cents on May 12. Investors panicked and redeemed \$10 billion in the weeks that followed. Around the same time, stablecoin terraUSD and its sister token, Luna, collapsed along with nearly \$40 billion in value.

Tether has since regained its peg and remains the largest stablecoin, with a \$67.6 billion market value.

It has been losing market share to Circle Internet Financial Ltd.'s USD Coin, which has a market value of about \$53.3 billion, according to CoinMar-

ketCap data.

In July, Tether said it reduced its exposure to commercial paper, short-term IOUs, to about \$3.7 billion from \$30 billion in July 2021. Tether said it plans to further decrease its commercial-paper holdings to about \$200 million by the end of August and to zero by the end of October or early November.

Tether declined to specify whether it will use BDO Italia for its long-promised full audit, which the company said is a priority.

Bonds | wsj.com/market-data/bonds/benchmarks

Tracking Bond Benchmarks

Return on investment and spreads over Treasurys and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest Low High	Total return close	YTD total return (%)	Index	Yield (%) Latest Low High
Broad Market Bloomberg Fixed Income Indices							
2039.91	-9.1	U.S. Aggregate	3.660 1.400 4.140	2044.45	-7.1	Mortgage-Backed	3.620 1.670 4.240
U.S. Corporate Indexes Bloomberg Fixed Income Indices							
2992.65	-12.2	U.S. Corporate	4.480 1.960 4.990	2012.28	-5.9	Ginnie Mae (GNMA)	3.620 1.700 4.250
2849.41	-7.3	Intermediate	4.260 1.340 4.820	1203.64	-7.2	Fannie mae (FNMA)	3.620 1.660 4.240
4095.85	-19.8	Long term	4.880 2.900 5.310	1844.72	-7.5	Freddie Mac (FHLMC)	3.610 1.660 4.240
592.09	-12.6	Double-A-rated	3.880 1.710 4.370	562.11	-6.7	Muni Master	2.772 0.754 3.191
790.64	-12.7	Triple-B-rated	4.800 2.170 5.320	399.27	-6.1	7-12 year	2.600 0.756 3.237
High Yield Bonds ICE BofA							
479.70	-8.1	High Yield Constrained	7.613 3.830 8.931	449.17	-8.7	12-22 year	3.255 1.100 3.753
452.35	-10.2	Triple-C-rated	13.050 6.893 15.197	426.61	-12.2	22-plus year	3.933 1.583 4.342
3195.60	-8.0	High Yield 100	7.056 3.210 8.427	Global Government J.P. Morgan			
414.23	-10.0	Global High Yield Constrained	7.793 4.019 9.062	551.24	-8.1	Global Government	2.220 0.740 2.560
314.51	-9.9	Europe High Yield Constrained	6.186 2.304 7.457	775.53	-7.5	Canada	2.950 1.260 3.500
U.S. Agency Bloomberg Fixed Income Indices							
1729.76	-5.8	U.S. Agency	3.410 0.680 3.670	364.83	-10.1	EMU\$	1.908 0.173 2.562
1523.59	-4.9	10-20 years	3.380 0.570 3.630	683.33	-10.1	France	1.700 0.080 2.330
3528.31	-15.8	20-plus years	3.850 1.940 4.190	489.62	-8.8	Germany	1.070 0.400 1.740
2606.95	-9.6	Yankee	4.220 1.560 4.610	288.29	-2.1	Japan	0.590 0.280 0.710
* Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. † In local currency. ‡ Euro-zone bonds. †† EMBI Global Index. Sources: ICE Data Services; Bloomberg Fixed Income Indices; J.P. Morgan							

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Spread*, in basis points		
					Current	One-day change	Last week
CNH Industrial Capital	...	3.950	4.00	May 23, '25	78	-39	117
Morgan Stanley	MS	5.000	3.91	Nov. 24, '25	67	-21	90
UBS	UBS	4.125	4.09	Sept. 24, '25	83	-17	103
Bank of America	BAC	3.950	3.99	April 21, '25	74	-14	94
M&T Bank	MTB	3.400	4.25	Aug. 17, '27	123	-13	n.a.
NextEra Energy Capital Holdings	...	4.255	3.86	Sept. 1, '24	65	-9	76
BAE Systems	BALN	3.800	4.13	Oct. 7, '24	91	-8	107
HSBC Holdings	HSBC	4.300	4.18	March 8, '26	115	-8	127

...And spreads that widened the most

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value		
					Current	One-day change	Last week
Credit Suisse	CS	1.250	4.73	Aug. 7, '26	170	30	143
Banco Santander	SANTAN	5.179	5.19	Nov. 19, '25	195	18	198
Sumitomo Mitsui Financial	SUMIBK	3.364	4.36	July 12, '27	135	16	n.a.
Canadian Imperial Bank of Commerce	CM	3.300	4.16	April 7, '25	93	13	90
Wells Fargo	WFC	3.000	4.05	Oct. 23, '26	105	12	87
Royal Bank of Canada	RY	1.200	3.93	April 27, '26	90	9	88
JPMorgan Chase	JPM	4.950	4.99	June 1, '45	163	7	153
Metropolitan Life Global Funding I	...	3.450	4.09	Dec. 18, '26	110	7	n.a.

High-yield issues with the biggest price increases...

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value		
					Current	One-day change	Last week
DCP Midstream	DCP	6.450	5.48	Nov. 3, '36	109.469	8.41	n.a.
Intesa Sanpaolo	ISPM	5.710	6.39	Jan. 15, '26	97.949	0.76	n.a.
Occidental Petroleum	OXY	6.450	5.44	Sept. 15, '36	109.877	0.67	110.906
American Airlines	AAL	11.750	6.82	July 15, '25	112.750	0.66	112.500
Royal Caribbean	RCL	7.500	10.86	Oct. 15, '27	87.000	0.52	85.000
Tenet Healthcare	THC	6.875	7.10	Nov. 15, '31	98.500	0.52	99.662
Ball	BALL	5.250	4.86	July 1, '25	101.029	0.46	101.460
Telecom Italia Capital	TITIM	6.375	8.28	Nov. 15, '33	86.250	0.35	85.565

...And with the biggest price decreases

Issuer	Symbol	Coupon (%)	Yield (%)	Maturity	Bond Price as % of face value		
					Current	One-day change	Last week
Toledo Hospital	TOLHOS	5.325	10.96	Nov. 15, '28	75.000	-2.50	n.a.
Dish DBS	...	5.125	13.44	June 1, '29	63.750	-1.35	66.750
Telecom Italia Capital	TITIM	7.721	8.96	June 4, '38	89.625	-0.88	88.900
ADT Security	ADT	4.875	6.34	July 15, '32	89.360	-0.53	90.500
CSC Holdings	CSCHLD	5.250	5.85	June 1, '24	99.000	-0.50	99.750
Teva Pharmaceutical Finance Netherlands	...	3.150	6.52	Oct. 1, '26	88.018	-0.46	90.750
Venture Global Calcasieu Pass	VENTGL	4.125	5.46	Aug. 15, '31	90.614	-0.40	93.000
Prime Security Services Borrower	PRSESE	5.750	6.10	April 15, '26	98.875	-0.38	100.600

* Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for 2-spread. Note: Data are for the most active issue of bonds with maturities of two years or more

Source: MarketAxess

Source: Tullett Prebon, Tradeweb ICE U.S. Treasury Close

MARKETS

Stocks Gain With Economy in Focus

Cisco shares climb 5.8% as revenue beats expectations; Kohl's falls on lower profit

BY WILL HORNER
AND HANNAH MIAO

Stocks rose as investors parsed earnings reports, economic data and minutes from the Federal Reserve's latest policy meeting for clues about the trajectory of the economy and interest rates.

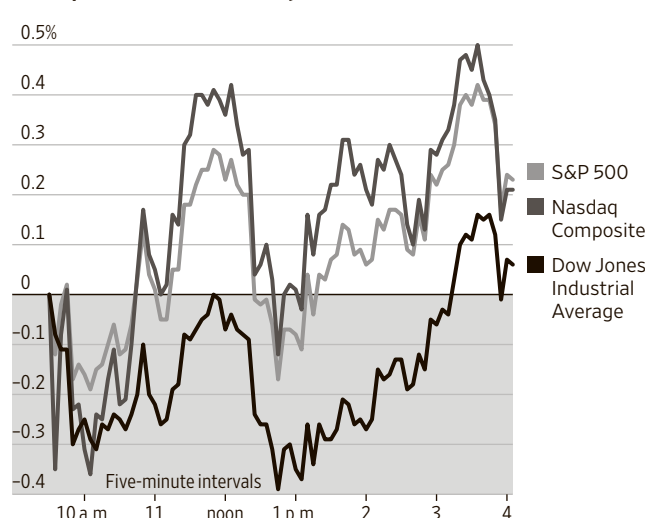
The major benchmarks wobbled between gains and losses for much of the session before closing in positive territory. The S&P 500 gained 9.70 points, or 0.2%, to 4283.74 after finishing lower Wednesday. The Dow Jones Industrial Average ticked up 18.72 points, or nearly 0.1%, to 33999.04. The technology-heavy Nasdaq Composite added 27.22 points, or 0.2%, to 12965.34.

Stock indexes have climbed in recent weeks on signs of moderating inflation and hopes that the Fed would ease off from its aggressive campaign of rate rises.

The S&P 500 is up roughly 17% from its mid-June low.

The rally has been tempered as minutes from the Fed's July meeting, released Wednesday, indicated that policy makers could keep raising rates to curb infla-

Index performance Thursday



Source: FactSet

tion. Still, officials said they would be cautious, acknowledging the risk that too much tightening could cause economic pain.

"The rather vanilla nature of yesterday's Fed minutes directly plays into the directionlessness of today's markets," said Eric Leve, chief investment officer at investment-management firm Bailard.

Home-sales data showed a further cooling of the U.S. housing market. Sales of existing homes fell for a sixth consecutive month in July, the National Association of Realtors reported. Higher mortgage rates have weighed on sales, another example of how the Fed's rate in-

creases are affecting all corners of the economy.

New applications for unemployment benefits inched down last week, according to the Labor Department, suggesting the jobs market is holding up despite signs of weakness in the broader economy.

"There is still a narrow pathway toward a soft landing, but it is getting harder and harder to achieve," said Joe Little, global chief strategist at HSBC Asset Management.

On the earnings front, Kohl's retreated \$2.62, or 7.7%, to \$31.33 after the retailer's earnings shrank by nearly two-thirds in its second quarter.

Cisco Systems jumped \$2.71,

or 5.8%, to \$49.37 after the maker of networking and security equipment posted flat quarterly revenue, avoiding a decline it previously forecast.

With roughly 95% of companies in the S&P 500 having reported second-quarter results, about three-quarters have beat Wall Street earnings expectations, according to FactSet.

Index constituents are on pace to post about 6% earnings growth for the second quarter.

"Going forward, the outlook looks a lot more cloudy. We are going to have an earnings picture that, in my mind, is going to continue to deteriorate. That's the reason why we should enter this period with maybe a little bit more prudence," said Marco Pirondini, U.S. head of equities and portfolio manager at asset-management firm Amundi US.

Bed Bath & Beyond sank \$4.53, or 20%, to \$18.55 after investor Ryan Cohen filed to sell his stake in the company. The selloff comes after the stock's recent, frenzied gains driven by individual investors, who jolted the stock in ways reminiscent of last year's meme-stock craze.

The yield on the benchmark 10-year U.S. Treasury note fell to 2.879% from 2.894% on Wednesday. Bond yields and prices move in opposite directions.

In commodity markets, international oil benchmark Brent crude rose 3.1% to \$96.59 a barrel. The prospect of weakening demand and additional supplies have dragged on crude prices in

recent weeks.

Energy stocks outperformed as oil prices climbed, with the S&P 500 energy sector closing up 2.5%.

Overseas, the pan-continental Stoxx Europe 600 edged up 0.4%. Early Friday, Japan's Nikkei 225 was up 0.1%, Hong Kong's Hang Seng Index was up 0.4%, the Shanghai Composite was down 0.3% and South Korea's Kospi was down 0.2%. S&P futures fell 0.1%.

AUCTION RESULTS

Here are the results of Thursday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

FOUR-WEEK BILLS

Applications	\$142,529,599,900
Accepted bids	\$58,411,077,400
* noncompetitively	\$1,328,140,400
* foreign noncompetitively	\$0
Auction price (rate)	99.832778 (2.150%)
Coupon equivalent	2.184%
Bids at clearing yield accepted	62.41%
Cusip number	912796XW4

The bills, dated Aug. 23, 2022, mature on Sept. 20, 2022.

EIGHT-WEEK BILLS

Applications	\$141,665,157,700
Accepted bids	\$53,101,177,700
* noncompetitively	\$480,142,400
* foreign noncompetitively	\$193,000,000
Auction price (rate)	99.612667 (2.490%)
Coupon equivalent	2.534%
Bids at clearing yield accepted	76.76%
Cusip number	912796VE3

The bills, dated Aug. 23, 2022, mature on Oct. 18, 2022.

29-YEAR, SIX-MONTH TIPS

Applications	\$22,568,293,800
Accepted bids	\$9,041,546,900
* noncompetitively	\$6,552,200
Auction price (rate)	84.615251 (0.920%)
Interest rate	0.125%
Bids at clearing yield accepted	86.25%
Cusip number	912810TE8

The Treasury inflation-protected securities, dated Aug. 31, 2022, mature on Feb. 15, 2025.

GigaCloud Is Rare Chinese IPO in U.S.

BY JING YANG

E-commerce company GigaCloud Technology Inc. made its debut on the Nasdaq Stock Market on Thursday, a rare instance of an initial public offering by a Chinese company in the U.S. as the two countries head toward a financial decoupling.

GigaCloud, an online platform that connects manufacturers of bulky consumer items with buyers around the world, raised \$36 million in gross proceeds after selling 2.94 million Class A shares. The deal valued the company at \$486 million. The amount raised could increase to \$41 million if the underwriter sells more shares to exercise the overallotment options, typically when the stocks are in high demand.

The company's share price rose 28% to \$15.69.

Based in Suzhou, eastern China's Jiangsu Province, GigaCloud sources large-parcel items such as furniture, home appliances and fitness equipment from China and elsewhere.

It sells them to buyers and retailers in the U.S., Europe, Japan and other places, while providing logistics, warehousing and technological solutions in the process. The company counts the U.S. as its largest market, where it generates more than half of its revenue. Its customers include sellers on Amazon.com Inc.

Such a business model has enabled the company to sail through U.S. regulatory hurdles even after the Securities and Exchange Commission tightened the screws on Chinese IPOs.

Although the company has its head offices in China, where it has most employees, GigaCloud generates all of its revenue from outside of the country. Chief Financial Offi-



GigaCloud says it is willing to change auditors if needed to comply with U.S. law so it could avoid being delisted. A GigaCloud truck.

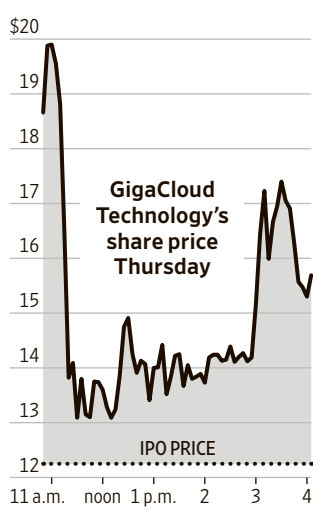
cer David Lau said that makes GigaCloud less susceptible to potential regulatory changes in China.

The company also said it is willing to change auditors if needed to comply with U.S. law so it could avoid being delisted three years later.

"Like many other Chinese companies planning to list in the U.S., we also hit a pause after the Didi instance. But we decided to move forward because we want to list in a market close to our customers," Mr. Lau said, referring to Beijing's regulatory assault on ride-hailing company Didi Global Inc. last year.

Chinese authorities launched a probe into Didi days after its New York IPO in July 2021. Around the same time, the SEC turned harsher on Chinese IPOs, citing regulatory risks.

Government scrutiny from both sides of the Pacific saw Chinese listings in the U.S. almost grind to a halt. Only



Note: Five-minute intervals Source: FactSet

eight Chinese companies, including three blank-check firms, have been listed in the U.S. since August 2021, raising a total of \$641 million, according to Dealogic data.

By comparison, billions of dollars were raised on average each year since Alibaba Group

Holding Ltd.'s landmark IPO in 2014.

Didi eventually delisted from the New York Stock Exchange and was fined \$1.2 billion by China for cybersecurity and other regulatory breaches.

A decade-long audit standoff between Washington and Beijing is threatening to boot Chinese companies from U.S. stock exchanges.

U.S. accounting regulators can't inspect the audit working papers of those companies, and failing to do so for three consecutive years will result in delisting, according to provisions of the Holding Foreign Companies Accountable Act.

Several companies have taken steps to comply with the act, such as changing their SEC filings to U.S.-based auditors, as the two countries continue to be at loggerheads over audit inspections.

GigaCloud, which engages the China office of KPMG as its auditor, is prepared to switch to an accounting firm

that can be inspected by U.S. regulators, should the two countries fail to resolve the issue, according to Chief Executive Larry Wu. "Neither our revenue nor data are in mainland China. There shall be no hurdles if we were to change to an auditor based outside of China," he said.

The company generated \$414 million in revenue and \$29 million in net income last year.

The path chartered by GigaCloud could lend confidence to future Chinese IPOs and their investors, said Frank Hurst Lin, general partner of venture-capital firm DCM and an early investor in GigaCloud. "Investors in both private and public markets are not writing off China at all. It all boils down to the individual companies and entrepreneurs," he said.

DCM, which manages \$4.2 billion, has several companies in its portfolio exploring a listing in the U.S., Mr. Lin added.

Financing Backs Cancer Startup

BY BRIAN GORMLEY

Lux Capital has led a \$5 million seed financing for cancer clinical-trials startup Trial Library Inc., part of a series of investments the venture-capital firm has made in companies with technologies that could increase participation in medical research.

Clinical trials typically occur at urban academic medical centers, which can make participation difficult for people who live far from them. Mistrust of clinical research and the time and resources required to travel to trial sites also are hurdles, medical researchers say.

Such obstacles complicate efforts to enroll diverse study populations. Racial and ethnic minorities are frequently underrepresented in biomedical research, according to the Food and Drug Administration.

One consequence is that researchers can miss opportunities to learn how various groups of patients respond to a drug. Variations in genetic coding can make a treatment more or less toxic for one racial or ethnic group than another, according to the FDA, which in April said improving clinical trial diversity would be a focus for the agency.

Pharmaceutical companies also have stepped up efforts to enroll diverse populations for trials through community outreach and tools to widen the reach of clinical studies.

Lux Capital has been investing in companies seeking to help researchers with trial enrollment and make studies more diverse. They include Science 37 Holdings Inc., which enables patients to join

\$5M

Amount of seed financing for Trial Library

studies from their home, and HI, whose technology platform helps drugmakers identify doctors who can help with clinical trials.

San Francisco-based Trial Library aims to increase clinical-trial participation among patients treated in community oncology practices, which have been less involved with cancer trials than academic medical centers.

"If we don't start by enabling inclusive trials, we'll never be able to achieve the broader goals of health equity," Lux Partner Deena Shakir said.

Trial Library, founded and led by Hala Borno, a University of California, San Francisco oncologist and health-equity researcher, seeks to remove obstacles to clinical trial participation.

Oncologists in community practices receive little or no reimbursement for screening patients for clinical trials, so this task falls down their list of things to do, according to Steve Buck, co-founder and chief product officer for Trial Library. The company, drawing on funding from its drugmaker customers, plans to reimburse community oncology practices for the time and effort of screening patients, Mr. Buck said.

Trial Library doesn't seek to steer people toward specific trials, leaving the decision of whether to participate in a trial, and which study to join, to doctors and patients, Mr. Buck said. Trial Library doesn't charge patients or healthcare providers for its products and services, according to Dr. Borno.

Trial Library also can direct patients to resources to help them with travel, food and lodging when participating in trials, according to Dr. Borno. The company, which is building a network of partner organizations that provide such assistance, plans to begin serving patients in September and will focus initially on community oncology practices in California, she said.

NEXT Ventures and individuals also participated in the seed financing.

Venture Capitalists Expand Role in Latin America

BY LUIS GARCIA

Growth in Latin America's venture-capital industry has eclipsed private equity, boosted by an emerging middle class that drove demand for new information and financial technologies even as traditional buyout activity floundered in recent years, a report showed.

Assets under management at venture-capital funds in the region reached \$9.25 billion by last September, up nearly 48% from \$6.27 billion a year earlier, according to Preqin Ltd., a provider of alternative-asset industry data.

While private-equity strategies, with \$25.52 billion under management last September, still account for the largest

share of the region's alternative assets, the venture-capital pot expanded faster—by 16% annually on average over a five-year period ending in 2020, compared with a 0.7% average annual decline for private-equity assets, the data showed.

Venture-capital firms raised a total of \$1.65 billion across 17 funds in Latin America last year, more than the \$980 million that their private-equity peers collected for 10 funds, according to Preqin. Buenos Aires-based venture firm Kaszek alone amassed \$1 billion across two funds last year.

Latin America's technology startups have benefited from increased demand for products that help a young, aspiring

middle class overcome the region's bureaucracies and lack of digital infrastructure, said Charles McGrath, who led the Preqin team that wrote the report. He cited buying a used car, renting an apartment, opening a checking account or getting health insurance as examples of tasks made easier by new digital products.

"You have this eager middle class that wants upward mobility, and there's a lot of administrative and logistical constraints holding it back," Mr. McGrath said. "That has sparked a lot of the consumer-tech and financial-tech innovation in the area."

Venture-capital firms are responding by investing more in the region, driving up the num-

ber of unicorns, or privately owned startups valued at \$1 billion or more. Latin America produced 16 new unicorns last year, Preqin said.

Investments by venture-capital firms in Latin America totaled \$15.8 billion last year, more than triple the \$4.2 billion invested through the strategies in the previous year, according to the Global Private Capital Association, a trade group. Through June of this year, venture firms pumped in an additional \$5.4 billion, according to the group.

One startup that reached unicorn status last year is Hotmart BV, a provider of cloud-based systems that help users set up and run businesses online. The company is capitaliz-

ing on an increased desire by people to find alternative ways to make a living outside conventional jobs, a trend that the pandemic has accelerated, said João Pedro Resende, Hotmart co-founder and chief executive.

Based in Amsterdam, Hotmart has a large presence in Latin America. It is backed by growth investors General Atlantic and Technology Cross-over Ventures as well as Singapore sovereign-wealth fund GIC, among others.

Several factors threaten to slow venture capital's momentum in the region, Preqin said. Inflation, cooling economic growth and rising interest rates magnify investment risks and weaken the middle class, Preqin said.