



What Russia's Failure in Ukraine Means For Putin
REVIEW

WSJ

THE WALL STREET JOURNAL WEEKEND



KYLIAN MBAPPÉ
WSJ. MAGAZINE

DOW JONES | News Corp ***** SATURDAY/SUNDAY, SEPTEMBER 17 - 18, 2022 ~ VOL. CCLXXX NO. 66 WSJ.com ***** \$6.00

What's News

World-Wide

The Justice Department asked a federal appeals court to allow prosecutors to resume examining documents marked classified that were recovered last month from Trump's Mar-a-Lago home and to bar a special master from reviewing them. **A4**

◆ **Putin renewed** his threats to sink an international agreement to unblock Ukraine's vital grain exports through the Black Sea, saying not enough grain was going to the world's poor. **A8**

◆ **Germany took control** of the German business of Russia's Rosneft Oil as Berlin races to safeguard its energy supplies before its planned ban on Russian oil imports kicks in later this year. **A8**

◆ **A federal appeals court** upheld a Texas law that seeks to prohibit social-media platforms from blocking or removing posts based on the speaker's viewpoint. **A3**

◆ **Migrants who** unexpectedly arrived in Martha's Vineyard from Florida this past week moved to new temporary housing on Cape Cod, as Florida Gov. DeSantis said he plans to send more migrants to northern cities. **A3**

◆ **The Justice Department** has tapped more than 150 federal prosecutors to bolster efforts to combat the rise in crime linked to the use of cryptocurrencies. **A4**

Business & Finance

◆ **FedEx's warning** of a sharp drop in package deliveries set off fresh worries among investors about the outlook for the global economy, sparking another day of declines in U.S. stock markets. **A1**

◆ **The S&P 500, Nasdaq** and Dow retreated 0.7%, 0.9% and 0.5%, respectively, with all three indexes recording losses for four of the past five weeks. **B1**

◆ **China's ByteDance** is offering to buy back shares from its investors, allowing them the chance to cash in after the TikTok owner ruled out plans for an initial public offering. **A1**

◆ **A security breach of Uber** temporarily hobbled the company's internal communications, a stark illustration of how tech firms that have access to the best talent and tools are vulnerable to repeated compromise. **B1**

◆ **Renewed Covid-19 curbs** and a worsening property downturn are dampening the outlook for China's economy, despite some modest signs of improvement as stimulus measures kicked in. **A10**

◆ **A recent academic study** found wide disparities in the prices that investors get when buying and selling stocks through a half dozen popular brokerages. **B11**

NOONAN
Elizabeth II
Was Queen
Of Our Times **A15**

CONTENTS

| | | | |
|----------------------|--------|----------------------|---------|
| Books..... | C7-12 | Opinion..... | A13-15 |
| Business News..... | B3 | Sports..... | A16 |
| Food..... | D6-7 | Style & Fashion..... | D2-3 |
| Gear & Gadgets..... | D10-11 | Travel..... | D4-5 |
| Heard on Street..... | B12 | U.S. News..... | A2-4,6 |
| Obituaries..... | A11 | Weather..... | A16 |
| | | World News..... | A7-8,10 |

© 2022 Dow Jones & Company, Inc. All Rights Reserved

Ukrainians Find Mass Grave in City Retaken From Russians



GRISLY DISCOVERY: Police investigators and war-crimes prosecutors began exhuming hundreds of bodies Friday from a mass burial site in the recently recaptured city of Izyum, some of which they said showed signs of torture. **A7**

Ivy League Dropout Cashes In With \$20 Billion Startup Sale

By **ROB COPELAND**

Four years ago, Dylan Field was living in a one-bedroom apartment in San Francisco's gritty Mission District, where he would stop for a \$1 cup of coffee on his way to work.

The college dropout was anonymous—and shy—enough that at freewheeling networking events held by the city's omnipresent venture-capital firms, Mr. Field would often

stand alone, awkwardly nursing a drink.

On Thursday, his design-software company, Figma, agreed to be sold to rival Adobe Inc. for \$20 billion, suddenly making Mr. Field, 30, one of the most talked-about people in the technology world.

The rise of Figma, which Mr. Field co-founded with a former Brown University classmate, was fast even by

the standards of Silicon Valley. In early 2018, the company was valued privately at \$115 million. By last year, in another fundraising round, that valuation had soared to \$10 billion, a level doubled by Adobe's deal. The rapid appreciation is noteworthy as prices for most technology companies, public and private, have been in free fall in recent months.

Mr. Field, according to in-

vestors and others who know him, still owns a sizable chunk of the company, along with venture-capital heavyweights including Sequoia Capital and Greylock Partners. If the deal closes, Mr. Field would be a billionaire.

In an interview a few hours after the deal announcement, Mr. Field said he was still processing the scale of the changes to his life. While

Please turn to page A4

FedEx's Warning Triggers Broader Worries

Shipping giant's stock falls 21% as its outlook on deliveries sends indexes down further

By **ESTHER FUNG AND WILL FEUER**

FedEx Corp.'s warning of a sharp drop in package deliveries set off fresh worries among investors about the outlook for the global economy, sparking another down day in stock markets.

The delivery giant's shares lost 21% Friday—its biggest one-day percentage drop ever—after the company said a macroeconomic slowdown had led to lower volumes of goods moving around the world in recent weeks. All three major U.S. stock indexes fell Friday, capping a week where the S&P 500 declined 4.8% and the Dow Jones Industrial Average dropped 4.1%.

The chief executives at General Electric Co. and Verizon Communications Inc. also pointed this past week to signs of economic troubles. GE's Larry Culp said managing supply chains remained difficult, threatening to slow deliveries and push up costs; Verizon's Hans Vestberg said there had been a pickup in customer churn, or cancellations, after a recent price increase.

The world's two biggest economies, China and the U.S., have been slowing this year. The Federal Reserve has been

Please turn to page A2

Surge of Violent Crime Overwhelms New Orleans

City has the highest homicide rate in the U.S. so far this year

By **CAMERON McWHIRTER**

Violent crime in New Orleans has grown to the point that Ibrahim Rabee no longer feels safe at his auto shop.

At least seven people have been killed within blocks of his store since the beginning of the year, according to police records. Customers bring in cars for repairs with handguns and semiautomatic rifles piled on the seats, Mr. Rabee said. A man with a gun recently threatened an employee who wouldn't put air in his tire. After someone walked in with a gun and threatened to shoot up the store, Mr. Rabee called 911. An officer finally showed up the next day.

"I'm thinking I'm not going to work an-

other year here," said Mr. Rabee, who came to the U.S. from the Palestinian territories and is now considering moving near his brother in upstate New York.

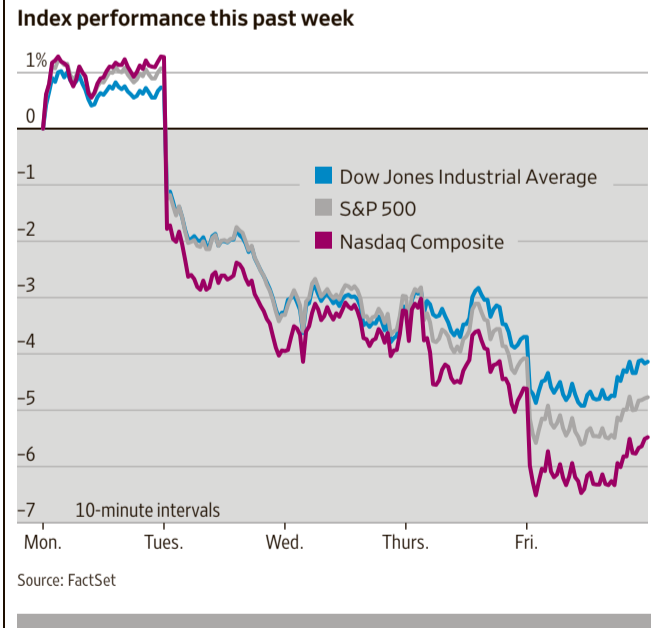
Violent crime has surged across the U.S. since the start of the pandemic. Although it has flattened in much of the country this year, the numbers have continued to rise in several cities including Dallas, Phoenix and New Orleans, according to data compiled for the first half of this year by the Major Cities Chiefs Association, a professional organization of police executives.

New Orleans had the highest homicide rate of any major city so far this year, with about 41 homicides per 100,000 residents,

Please turn to page A12

Stocks End Week in the Red

Major indexes closed lower Friday, with the Dow, S&P 500 and Nasdaq all posting losses for four of the past five weeks. **B1**



TikTok Parent Offers To Buy Backers' Shares

By **RAFFAELE HUANG**

SINGAPORE—China's ByteDance Ltd. is offering to buy back shares from its investors, allowing them the chance to cash out after the TikTok owner set aside plans for an initial public offering.

The Beijing-based company will spend up to \$3 billion in cash to repurchase shares from existing shareholders at a price of up to \$176.90 a share, according to a memo sent to investors and viewed by The Wall Street Journal. The deal would value the company at around \$300 billion, which is higher than most of the recent offers in the private-equity secondary market, people fa-

miliar with the matter said.

The repurchase aims to give liquidity to some of the long-term shareholders, including Sequoia Capital and Susquehanna International Group, as its plan to go public has stalled, according to people familiar with the plan. Sequoia and Susquehanna didn't respond to requests for comment.

If the \$3 billion budget is insufficient to buy back all of the shares held by investors participating in the repurchase, ByteDance will acquire an equal proportion of shares from each, the people said. The company has several hundred shareholders, they said.

ByteDance also said it was

Please turn to page A6

EXCHANGE



THE NEW CAR SALESMAN
An electric-vehicle upstart is trying to break the lock of auto dealerships. **B1**

Welcome to Your Airbnb, Don't Forget to Wash the Linens

* * *

Growing to-do lists stress travelers; 'This kind of changes the whole vibe'

By **PREETIKA RANA**

Christina Marie spent her last vacation day fretting over finishing her chores. Vacuum? Check. Laundry? Check. Dishes? Check.

Her Airbnb in South Lake Tahoe, Calif., had an exhaustive list of cleaning requirements and she wasn't going to let her guest rating dip over it. Cooking breakfast for her family of six would mean more cleaning, so everyone ate bananas and Pop-

Tarts that morning. When one of the kids reached for a cup after she loaded the dishwasher, Ms. Marie roared: "Put the cup away. No more, no more!"

"You don't want to wake up at 6 a.m. to do chores when you're on vacation," said Ms. Marie, a Sacramento teacher. "This kind of changes the whole vibe. It's stressful."

Longtime Airbnb users are angry about lengthy—and, some-

Please turn to page A12



Get sweeping!

U.S. NEWS

THE NUMBERS | By Josh Zumbrun

Monarchies Are in Decline the World Over



The death of Queen Elizabeth II and ascension of her son, the new King

Charles III, is a reminder that while a world carved up by emperors, khagans, kings and grand dukes might have long passed, quite a few queens, princes and sultans still wander about in countries that, at least on paper, are monarchies.

Just over 40 countries lay some sort of claim to monarchy, if you include the 14 Commonwealth countries other than the U.K. that formally still recognize the British sovereign as their head of state. This figure has changed little since the 1980s, the point at which decolonization was mostly finished. This is sometimes cited as evidence that monarchies have been surprisingly stable. But a closer look at the numbers suggest monarchy is undergoing relentless decline.

Running the numbers requires some assumptions about what exactly counts as a monarchy. "This is not an easy question to resolve," said John Gerring, a government professor at the University of Texas, who has studied the decline of monarchy.

Yet even with the broadest definition, monarchy has taken quite a decline. At the beginning of 1950 over one-third of the world's population lived in a country, colony or commonwealth lorded over

by some monarch. As empires cracked up—mostly Britain's (especially with India's departure from the Commonwealth in 1950) but also the Dutch and Belgian empires—population under a monarch fell, to 9.3% by the 1980s. It has now slipped to 7.6%.

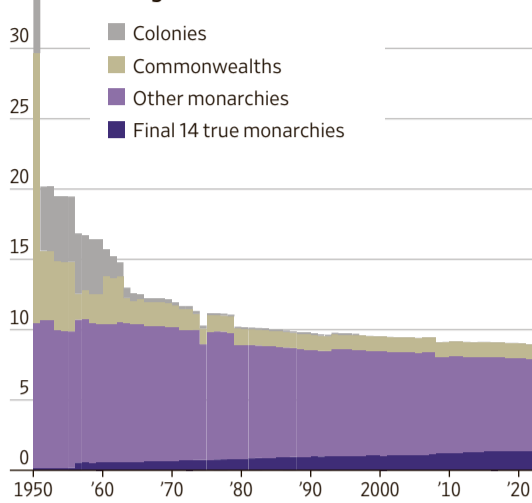
Judged by share of global economic output instead of population, the picture is a bit better, but the direction is the same. Some constitutional monarchies, where monarchs share power with an organized government, are large and wealthy—Japan and the U.K., for example—but aren't growing rapidly. India this year overtook the U.K. as the world's fifth-largest economy, according to International Monetary Fund data.

Monarchies today represent 15.8% of global GDP, down from nearly a quarter of global GDP in 1973, with many beset by aging populations. Including the Commonwealth, there's an additional 4.1 percentage points.

Monarchs are aging, too. Queen Elizabeth II, who died at age 96, assumed the throne at age 25 in 1952, when the average monarch was about 44, according to my calculations. Nor was she the youngest: Faisal II, the last king of Iraq, was 16 at the time; he had assumed the throne at age 3. Today, the average monarch is 67.

But to what extent are these characters really mon-

Share of world population living in monarchies



Source: WSJ analysis of United Nations population data, John Gerring monarchy data and World Bank GDP data

archs? They have robes and crowns and often descend directly from influential (or just violent) people who genuinely controlled their country at some point in the past. Today, though, many are just reality stars, their family discord endlessly dissected, with no political role.

Or, put more charitably, "only a handful of monarchs retain their titles and their prerogative," wrote Mr. Gerring of the University of Texas and his co-authors in a 2020 paper titled "Why Monarchy? The Rise and Demise of a Regime Type," which created a data set of monarchies dating in some cases to the 1100s.

A true monarchy, in their classification, has four key characteristics. The first three

are: it is hereditary and held by a single individual, who is endowed with life tenure. For example the Agong is sometimes called the king of Malaysia, but he is elected to five-year terms.

Fourth, a true monarch must have "non-trivial importance in running the affairs of state," they write. This is what rules out many monarchs, including King Charles III.

Many monarchs are, like the human appendix, vestigial in that they were important once, but have stuck around long after their primary purpose faded. (This might be unfair to the appendix, which newer research suggests might be a useful reservoir of gut bacteria.)

King Charles III has little

power in the U.K. government, let alone in the 14 Commonwealth realms, including Canada and Australia, which by tradition put English monarchs on their money. Typically, a governor-general serves as a representative of the crown and carries out ceremonial functions.

For most of human history, most governments were monarchies. Thomas Jefferson's assertion that governments derive their powers from the consent of the governed was slow to catch on.

It wasn't until 1870, well after the American and French revolutions, that monarchies began to decline by Mr. Gerring's metric. Nonmonarchies first ex-

ceeded monarchies in 1910. His paper suggests that, more than any other factor, the rise of mass communications drove the decline by enabling a new generation of leaders to communicate directly to their populations without relying on generational continuity to maintain awareness.

Monarchies often erode over time, chipped away as parliaments or other democratic institutions grow in power. One could quibble with the exact moment monarchy is lost. By Mr. Gerring's metric, the U.K. lost its claim to true monarchy in 1884, the year that the Third Reform Act enfranchised a majority of the U.K.'s men to vote for Parliament, shifting control from the monarch and landed gentry to voters.

By his criteria, Mr. Gerring identifies just 14 true monarchies: Bahrain, Bhutan, Brunei, Eswatini (long known as Swaziland until the king renamed it for his birthday), Jordan, Kuwait, Liechtenstein, Monaco, Morocco, Oman, Qatar, Saudi Arabia, Tonga and the United Arab Emirates. They account for just 1.4% of the global population and 1.9% of GDP.

But even if the numbers show a more decisive decline in monarchy than the coverage of King Charles III might suggest, don't confuse that with the triumph of democracy. One-man rule is alive in well in places like Russia and China. They just don't call themselves monarchies.

U.S. Consumers Signal Uncertainty

BY SARAH CHANEY CAMBON

U.S. consumer sentiment ticked up in early September from historically low levels as Americans felt slightly better about the economy while expressing uncertainty about the future.

The consumer sentiment index, a reflection of consumer attitudes on the state of the economy, rose slightly in early September but is well down from a year earlier, the University of Michigan said Friday. Sentiment has gradually improved after hitting a record low in June.

While consumers were more optimistic about the near-term economic outlook than earlier in this summer, when inflation touched a four-decade high, they expressed more pessimism about long-run economic prospects.

Other economic data this week showed the U.S. economy appears to be running lukewarm. Overall inflation cooled in August, as consumers saw some savings at the gasoline pump, but prices rose across many other categories, showing inflation's broadening reach.

Retail sales rose in August, largely due to increased spending at auto dealerships, reflecting higher prices for new cars and trucks. Excluding motor vehicles and parts, sales were down 0.3%, the Commerce Department said. Federal Reserve manufacturing surveys showed signs of softening this week.

A continued bright spot was the labor market. Jobless claims, a proxy for layoffs, fell for the fifth straight week last week, according to the Labor Department.

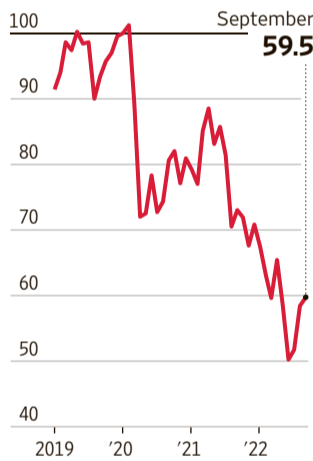
Overall, a U.S. economy that contracted for two straight quarters to start the year has more recently appeared to be growing slowly.

The Atlanta Fed's GDPNow model, which updates throughout the quarter as new economic data comes out, on Thursday predicted gross domestic product will grow at a seasonally adjusted annual rate of 0.5% in the third quarter, down from a 1.3% estimate at the end of last week.

"After the marked improvement in sentiment in August, consumers showed signs of uncertainty over the trajectory of the economy," said Joanne Hsu, the economist who directs the Michigan survey.

Friday's survey showed Americans exhibited high lev-

Consumer-sentiment index

Note: 100=level of sentiment in 1966
Source: University of Michigan

els of uncertainty especially toward the future path of prices, with uncertainty over short-run inflation reaching levels last seen in 1982. Consumers' expectations of future inflation declined amid falling energy prices.

A separate survey released this week by the New York Fed showed American consumers expected lower inflation. Households expect that one year from now, annual inflation will be 5.7%, down from the 6.2% they predicted in the July survey, the bank said. Consumer prices rose 8.3% in August from a year earlier, the Labor Department said earlier this week.

Falling inflation expectations is welcome news for the Fed. The central bank has increased its benchmark interest rate this year at the fastest clip since the early 1990s and is likely to lift it by at least 0.75 percentage point next week and more in coming months to restrain spending, investment and job creation, hoping that will slow inflation.

The outlook for middling growth has chief executives of major companies planning to slow hiring in coming months, according to a survey of 170 CEOs conducted by the Business Roundtable, a lobbying association of company leaders. Those executives projected the U.S. economy to grow 2.3% this year. Last year, the economy expanded more than 5%, according to the Commerce Department.

CEOs expressed concern about high inflation, rising interest rates and disruptions caused by Russia's invasion of Ukraine, the Roundtable said.

—Bryan Mena
contributed to this article.

FedEx Stirs Economic Concerns

Continued from Page One

raising interest rates to combat inflation, while gross domestic product fell 0.9% in the second quarter and 1.6% in the first three months of 2022.

China, meanwhile, released a raft of economic data on Friday, including figures showing that housing price declines accelerated and consumer spending remained weak.

FedEx and rival United Parcel Service Inc. have confronted lower volumes of packages this year as a pandemic boom in online shopping cools. Consumers have switched more of their spending to travel and entertainment, plus high inflation has reduced the number of items being purchased. Big retailers that are FedEx customers like Walmart Inc. have also pulled back on orders after they have been stuck with a glut of unsold goods.

The leaders of companies as diverse as Yankee Candle maker Newell Brands Inc. to fertilizer maker Scotts Miracle-Gro Co. have recently warned that there was a sharp pullback by retailers since spring after stores found themselves with too much inventory. The glut of goods and high U.S. inflation have lowered analysts' expectations for consumer spending heading into the busy holiday season.

For FedEx, the revised outlook this week marks a reversal from where it stood just a few months ago and presents a fresh challenge for the company's new chief executive, Raj Subramaniam, a FedEx veteran who took over June 1 from founder and Executive Chairman Fred Smith.

At his first investor meeting in June, Mr. Subramaniam said package volumes were declining but that the company could improve profit margins this year and manage through a mild recession.

In an appearance on CNBC Thursday, Mr. Subramaniam said he expects the global economy to enter a recession.

His comment came shortly after FedEx warned that profit in the August quarter would be roughly half of what Wall Street was expecting and revenue would come in about \$800 million below its forecasts. The company also withdrew its full-year financial forecasts issued in June, one of Mr. Subramaniam's first public acts as CEO.



FedEx said a slowdown has led to lower volumes of goods.

FedEx, which plans to report quarterly results next week, said that the economic picture darkened in both the U.S. and international markets. The company is freezing hiring, closing FedEx Office locations, parking some cargo aircraft and reducing Sunday operations in some markets.

Both FedEx and UPS have been raising prices to offset the decline in package volumes as well as higher labor and fuel costs. Some of their customers have said they have had to shop around for cheaper rates, often reverting to regional parcel shipping companies for more reasonable rates.

UPS declined to comment. "People are buying less. They are paying more for air travel and other experiences," said Satish Jindel, president of research firm SJ Consulting Group. "It's going to be hard to make up the volumes for the rest of the year," Mr. Jindel said, adding that he doesn't expect the average daily parcel volume in the coming peak delivery season to exceed last year's.

FedEx stock on Friday had its biggest percentage decline since going public in 1978—worse than big drops on 1987's Black Monday, in the pandemic

panic of 2020, and in the depths of the global financial crisis in late 2008. The stock fell \$43.85 to close at \$161.02, down 38% so far this year.

FedEx's outlook also pressured shares of rivals. UPS fell 4.5% while XPO Logistics Inc. shares dropped 4.7%. In Europe, shares of Deutsche Post AG lost 6.6%, and stock of London-based Royal Mail PLC declined 8.1%.

The ripples of the announcement spread. Shares of three large companies that make corrugated cardboard—International Paper Co., Packaging Corp. of America and WestRock Co.—each fell at least 11%. Shares of railroad operators such as CSX Corp., Norfolk Southern Corp. and Union Pacific Corp. retreated as well, a day after they averted a nationwide strike.

"Clearly, there are questions about the direction of the global economy, especially in Europe and Asia, but we struggle to see how that accounts for the entirety of this quarter's miss," Stifel analysts said in a research note about FedEx. "We believe a meaningful portion of FedEx's missteps here are company-specific."

The analysts lowered their rating on FedEx and cut their

staff turnover is 81%.

In some editions Friday, the first name of Shohei Ohtani, a Los Angeles Angels player, was misspelled as Shoehei on second reference.

Some baseball games of the New York Yankees and New York Giants aired on TV before 1957. The Weekend Confidential profile of Dick Ebersol in Sept. 10's Review section incorrectly implied that the teams' games first aired on TV in 1957, when Mr. Ebersol was 10 years old.

CORRECTIONS & AMPLIFICATIONS

U.S. Drug Enforcement Administration agents have made inquiries about Done Global Inc. as part of a Justice Department investigation. A U.S. News article on Friday about the telehealth company incorrectly said the DEA agents made the inquiries to Done itself.

Starbucks Corp.'s annual staff turnover is 81% of the industry average; the company doesn't disclose its actual staff turnover. A Heard on the Street column on Thursday about Starbucks incorrectly said the company's annual

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

price target on the stock by nearly \$100 to \$195 a share. They said they had viewed signs of execution problems at FedEx as fleeting and had thought the company could navigate the volatile environment more smoothly by following the road map of UPS, which has cut capacity and shifted away from handling less-profitable packages. "We drank the purple Kool-Aid," they wrote, a reference to FedEx's corporate colors. "From here, there's no more benefit of the doubt."

FedEx in 2019 cut ties with Amazon.com Inc., which has been expanding its own delivery services, and said it would look to serve other retailers and fill Ground trucks by handling more packages that are typically handed off to the U.S. Postal Service.

FedEx has faced pressure this year from activist investor D.E. Shaw, which called on the company to improve its profits and streamline operations. In mid-June, FedEx added two board members and said it would add a third in an agreement with the hedge fund.

The company has also dealt with complaints from some of the independent contractors that handle most of its Ground delivery routes. Some contractors have asked the company to help them cover higher labor and fuel costs. Last month FedEx sued one of the Ground contractors and canceled his routes, saying he had disparaged the company.

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

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

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

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

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

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

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

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

WSJ back issues and framed pages:
wsjshop.com

Our newspapers are 100% sourced from
sustainably certified mills.

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

U.S. NEWS

Massachusetts Moves Migrants As DeSantis Vows Relocations

By JENNIFER CALFAS

Migrants who unexpectedly arrived in Martha's Vineyard from Florida this past week moved to new temporary housing on Cape Cod Friday, as Florida Gov. Ron DeSantis said he plans to spend \$12 million through the state's relocation program to send more migrants to northern cities.

Massachusetts Gov. Charlie Baker and Lt. Gov. Karyn Polito said some of the 50 asylum seekers voluntarily relocated to Joint Base Cape Cod, where they would also have access to services related to healthcare, mental health and crisis counseling. The Republican governor said Massachusetts will deploy up to 125 National Guard members to provide assistance.

State officials have been scrambling to provide arrangements for the migrants since they landed on the small island off Cape Cod Wednesday—part of an accelerating campaign by Republican governors in the southern U.S. to send migrants to northern states.

Some migrants flown to Martha's Vineyard said they were given false information about job opportunities and housing in the region, and how the trip would affect their ability to attend court hearings, according to attorneys who have spoken with them.

Mr. DeSantis said the migrants went voluntarily on the flights, which were organized by Florida.

Speaking to reporters Friday at an event in Daytona Beach, Fla., Mr. DeSantis said the state has the infrastructure in place to continue transporting migrants to other states by bus and possibly plane. He plans to spend all of the \$12 million the legislature allocated for the program, he said.



MATIAS J. OCNER/MAMI HERALD/ZUMA PRESS

A Venezuelan migrant, one of 50 sent from the South, is led to a bus Friday on Martha's Vineyard.

"All we're trying to do is offer transport to sanctuary jurisdictions, free to the alien, but certainly not mandatory," Mr. DeSantis said. "These sanctuary jurisdictions can put their money where their mouth is."

Thousands of migrants have been crossing the southern border illegally every day, with a record two million expected this federal fiscal year. Migrants who are released into the U.S. typically have an initial court date set several weeks later, the first step in what can be a yearslong process to be granted asylum or other protections. Ahead of their court date, the migrants are sometimes dropped off by Border Patrol officials at local shelters.

Republican governors including Mr. DeSantis, Texas Gov. Greg Abbott and Arizona Gov. Doug Ducey say their relocation efforts are aimed at showing the pressure migrants have placed on their states' resources. Critics, including the

Biden administration, have called it a political stunt.

The migrants who arrived in Martha's Vineyard on Wednesday had been housed in recent days in Texas, at a shelter in San Antonio. The planes left San Antonio first for Crestview, Fla, according to the flight-tracking site FlightAware.com.

The migrants were enlisted for the flights by four or five organizers who approached them outside of the shelters in San Antonio, said Iván Espinoza-Madrigal, executive director of Lawyers for Civil Rights, whose staff has been interviewing them.

Mr. Espinoza-Madrigal said one of the migrants raised a concern with trip organizers about a scheduled immigration appointment in San Antonio next week. The organizers responded that the issue could be resolved at their destination.

"This constitutes a deliberate interference in the constitutional rights of the immi-

grants by defrauding and derailing them from being able to follow the rule of law," Mr. Espinoza-Madrigal said.

He said some migrants' paperwork listed, as part of their contact information, U.S. addresses to which they had no connection, including a homeless shelter in Washington state. Such addresses help decide where immigrants need to report, he said. Some of the migrants have immigration appointments as soon as Monday in other states, he added.

Mr. DeSantis disputed assertions that the migrants were duped or given false information. He said they signed release forms and were provided packets that included a map of Martha's Vineyard.

Massachusetts officials said they were unprepared for the migrants' unannounced arrival Wednesday, but Gov. Baker lauded the response of local residents and officials.

—Jon Kamp contributed to this article.

Texas Social-Media Law Is Upheld

By BRENT KENDALL

A federal appeals court on Friday upheld a Texas law that seeks to prohibit social-media platforms from blocking or removing posts based on the speaker's viewpoint, a decision that could set the stage for the Supreme Court to resolve a case with broad ramifications for online discourse.

Texas Republicans enacted the law, known as HB 20, last year, a response to what they said were concerns about the suppression of conservative political views on Meta Platforms Inc.'s Facebook, Twitter Inc. and other major platforms.

The law, which has been on hold for now, allows Texas res-

idents, or anyone doing business in the state, to sue platforms and seek court orders against content removal. It also gives enforcement powers to the state attorney general. HB 20 allows plaintiffs to seek injunctive relief and attorneys' fees, but not damages.

A pair of trade associations representing tech companies filed suit to challenge the law and warned that it could lead to a wave of harmful and offensive posts.

A three-judge panel of the Fifth U.S. Circuit Court of Appeals in New Orleans issued a split ruling Friday in the state's favor.

Judge Andrew Oldham, writing for the majority, re-

jected the tech associations' arguments that the law violated the First Amendment rights of social-media companies to exercise editorial dis-

U.S. appeals court rejects view that the law violates First Amendment rights.

cretion over the content published on their platforms.

"Today we reject the idea that corporations have a free-wheeling First Amendment right to censor what people

say," Judge Oldham, a Trump appointee wrote. He was joined in the majority by Judge Edith Jones, a Reagan appointee.

In dissent, Judge Leslie Southwick said tech companies are engaged in constitutionally protected activity when they make decisions about which speech is permitted, featured, promoted and monetized on their private platforms.

"Balance and fairness certainly would be preferable, but the First Amendment does not require it," Judge Southwick, a George W. Bush appointee, wrote.

The Supreme Court, on a 5-4 vote, in May ordered that the Texas law remain on hold while the litigation continued.

SHINE BRIGHT WITH

Misahara

Diamonds & 18k Gold Starting at \$1,700

Call or Email to Purchase (805) 390 6326 | contact@misahara.com Shop the Collection at MISAHARA.COM

HANDCRAFTED IN NEW YORK

BUBBLE HOOP EARRINGS

PAUL MORELLI

PAULMORELLI.COM

NYC: 895 MADISON (72nd & MADISON) PHL: 1118 WALNUT STREET 212.585.4200

Cigale. Dining table with extension leaves, glass and ceramic top.



\$5,490* instead of \$6,460 until 12/31/22

Cigale. For a dining table as shown, 78.7" L. x 29.5" H. x 39.4" D. Price includes one dining table with 2 integrated extension leaves of 15.7". Top in Fokos Terra glass/ceramic composite on a lacquered aluminum crossbar. Base in lacquered steel plates (several color options). Other dimensions and fixed version available, price upon request. Astragale china unit, designed by Bina Batel. Aida chairs, designed by Area 44. Made in Europe. Goutte rug, designed by Julie Quaglin.

In-store interior design & 3D modeling services.(1) Quick Ship program available.(2)



U.S. NEWS

U.S. Appeals Parts of Mar-a-Lago Order

BY SADIE GURMAN
AND ARUNA VISWANATHA

The Justice Department late Friday asked a federal appeals court to allow prosecutors to resume examining the roughly 100 documents marked classified that were recovered in the extraordinary search last month of former President Donald Trump's Mar-a-Lago home and to bar a special master from reviewing them.

The department told the 11th Circuit U.S. Court of Appeals in Atlanta that a judge's order temporarily stopping prosecutors from reviewing the documents marked classified "impedes the government's efforts to protect the nation's security" and hinders its continuing investigation into the government records at the former president's sprawling resort.

Prosecutors asked the appeals court to immediately lift the hold and let them resume their work.

The request comes after U.S. District Judge Aileen Cannon on Thursday appointed a former chief federal judge to independently review the documents. But over the objection of prosecutors, she included the roughly 100 documents marked classified that were recovered in the search and ordered the Justice Department to provide Mr. Trump's legal team with access to those materials.

FBI agents searched Mr. Trump's Florida resort on Aug. 8 and removed 33 boxes with thousands of presidential re-



The Justice Department in Washington, D.C. A judge ordered the government to give former President Donald Trump's legal team access to classified documents, over prosecutors' objections.

ords and news clippings mixed with classified materials. Afterward, prosecutors said they were investigating, among other issues, potential violations of the Espionage Act, which relates to the misuse of classified information.

Prosecutors argued in their 29-page filing Friday that Mr. Trump had no right to those sensitive national security documents and that the classified markings "establish on the face of the documents that they are not Plaintiff's personal property."

The Justice Department lawyers didn't ask the appeals court to stop the appointment of the special master, Raymond J. Dearie, a longtime judge in federal court in Brooklyn, though they said Judge Cannon erred in her "unprecedented" order. They asked that the 100 or so documents in question not be submitted for Mr. Dea-

rie's review process, which Judge Cannon ordered to be completed by Nov. 30. A separate court filing Friday showed Mr. Dearie asked Mr. Trump's team and Justice Department lawyers to appear for their first conference on Tuesday.

Mr. Trump's legal team has disputed the status of the documents marked as classified. A spokesman didn't immediately respond to a request for comment Friday night.

"The government has not proven these records remain classified. That issue is to be determined later," Mr. Trump's lawyers wrote in a Monday filing to Judge Cannon.

Mr. Trump has called the Aug. 8 search prosecutorial misconduct and an attempt to keep him from running for president in 2024.

Lawyers whose clients have been charged with crimes related to classified information

have been allowed to view those highly sensitive documents to prepare for a defense, experts said. But prosecutors have filed no such charges in relation to the FBI search.

"This is not a criminal case, this is an investigation," said Stephen A. Saltzburg, a former Justice Department official and law professor at George Washington University. Mr. Saltzburg, who served as associate independent counsel in the Iran-Contra probe in the 1980s, noted that Retired Lt. Col. Oliver North's attorneys were granted access to classified documents to prepare his defense on charges emanating from that scandal. "The judge's ruling is extraordinarily unusual," Mr. Saltzburg said.

When the Florida-based Judge Cannon ordered the appointment of an independent arbiter last week, she had temporarily blocked criminal investigators from using the materials, describing it as "a brief pause to allow for neutral, third-party review to ensure a just process with adequate safeguards."

Days later, prosecutors asked Judge Cannon to revisit that pause specifically as it related to the 100 classified documents at the heart of the probe, arguing that Mr. Trump had no basis to claim attorney-client or executive privileges over those documents. They said they would set aside the other roughly 11,000 documents seized and provide Mr. Trump with copies of them, but said that if the judge didn't grant their request

to resume reviewing the classified documents by Sept. 15, they would go to the appeals court with the same request.

Legal experts also said at the time the prospect of having someone outside government—rather than the executive branch itself—help determine what could be covered by executive privilege was legally flawed.

In denying the government's request, Judge Cannon said she found the Justice Department's request premature and didn't want to accept on its face the government's premise that the 100 documents are classified government records, and that Mr. Trump had no plausible claim of privilege as to any of those documents.

Judge Cannon's order pertained only to documents seized during the Aug. 8 FBI search and not to any documents that Mr. Trump had previously handed over to the government.

In her order, Judge Cannon told prosecutors to provide Mr. Trump's legal team with copies of the nonclassified documents, and instructed Mr. Trump's legal team to identify those materials it believes to be personal documents, privileged presidential records, or other presidential records.

If the government disagrees with any characterizations, the special master is expected to review the dispute and make a recommendation for Judge Cannon's determination. He can ask for more evidence from both sides, and seek the guidance of the National Archives in making recommendations.

DOJ Forms Prosecutor Network For Crypto Crimes

BY DUSTIN VOLZ

The Justice Department has tapped more than 150 federal prosecutors across the country to bolster law enforcement's efforts to combat the rise in crime linked to the use of cryptocurrencies, officials said.

The Digital Asset Coordinators Network is intended to designate subject-matter experts in U.S. attorneys' offices on the complex technical and legal complications posed by cryptocurrency cases, the officials said.

The network was motivated in part because of the high degree of technical expertise that can go into prosecuting cryptocurrency cases, as well as digital currencies' increasing popularity across several different areas of crime, said Eun Young Choi, the first director of the Justice Department's national cryptocurrency enforcement team. Those areas include money laundering or financing terrorism, a vehicle of payment for ransomware hackers, and a direct target of theft, she said.

"Digital-asset crimes are truly multidisciplinary," Ms. Choi said in an interview. "They are cross-border, complex, and challenging investigations and they require a certain level of competency."

The network, which aims to train and educate other Justice officials on cryptocurrency issues, will include officials with backgrounds in the department's tax, criminal, civil, national security and environmental divisions, she said.

The Justice Department has increasingly focused more resources on crypto-supported crime since bitcoin and other currencies have become more appealing to criminals, as they have exploded in both value and popularity over the past decade. "We have seen the growth of criminal use of digital assets increase in both scope and volume," Ms. Choi said.

Regulators, lawmakers and law-enforcement officials have said some cryptocurrency platforms afford users anonymity that helps them to launder criminal proceeds, finance terrorism, or engage in public corruption. Sanctions and other tools have been deployed with more frequency in recent months, but criminal prosecutions remain a key part of the administration's strategy to police against bad actors.

But law-enforcement efforts extend beyond bringing indictments and making arrests. They also have increasingly been dedicated to disrupting criminals through technical means—which may rely on the cooperation of cryptocurrency exchanges—and seizing stolen cryptocurrency. For example, U.S. authorities seized more than \$30 million in cryptocurrency plundered from an online game this year by hackers linked to North Korea, one of the largest successes clawing back digital revenue from Pyongyang, the Journal reported earlier this month.

Dropout Cashes In On Deal

Continued from Page One

Adobe had approached him several months ago to begin talks, Mr. Field said the announcement was pushed forward after his team heard that The Wall Street Journal had begun making inquiries. He said he was awake for much of the night as they raced to get news of the deal out.

Despite that effort, market reaction to the deal was poor. Adobe's shares fell nearly 17% on Thursday, suggesting widespread investor opposition to the acquisition. Mr. Field said he wasn't fazed.

"If this deal fell apart tomorrow, I'd feel just fine," he said.

Mr. Field grew up just north of San Francisco in Sonoma County, Calif., part of the area's famed wine region. When he was around 3 years old, his family bought a computer, and Mr. Field taught himself—and his parents—how to use it, the family has said.

By his own account, Mr. Field was an unremarkable student, at risk of dropping out until he joined the robotics team and began taking college-level courses in high school. He was rejected by the University of California, Berkeley and enrolled instead at Brown.

During his junior year, Mr. Field applied for a fellowship run by the billionaire financier Peter Thiel. The fellowship,



Dylan Field, 30, dropped out of Brown to start a company. It failed, but his next company, Figma, is being sold to Adobe for \$20 billion.

then not particularly well-known, offered applicants \$100,000 in no-strings-attached funding if they agreed to drop out of college to pursue entrepreneurial aims.

He pitched new software to modify drones to monitor traffic and catch reckless drivers.

Mr. Field was accepted for the fellowship and left Brown. The drone company didn't work, but his next idea, Figma, took off.

Started with Evan Wallace, a friend of Mr. Field's from Brown, Figma is a graphics-editing platform that allows people to design projects to-

gether. It took four years from inception to the company's launch of a product—a period that didn't always portend the success to come.

The Figma office was located above a busy bar, and on Fridays, starting around 3 p.m., the noise was unbearable, said Badrul Farooqi, an early employee.

The team wasn't much for late nights, as Mr. Field is a "board games and wine type," Mr. Farooqi said. The Figma CEO once told staff that he had hired an executive coach to help him work on his presence.

Figma, like other software services, grew rapidly during the pandemic. Clients included Uber Technologies Inc. and Square Inc., now known as Block Inc. Among Figma's advantages: Its browser-based tools work simultaneously across various platforms, as opposed to competing products that operate only on a desktop or an app.

Late last year, Mr. Wallace departed the company. Mr. Field said his partner was burned out by the work and wanted to try new projects. Mr. Wallace couldn't be reached for comment.

By this year, Mr. Field was a new father, and Figma was preparing for an initial public offering. That was until the IPO market froze up. Adobe's offer was preferable to risking a public listing, Mr. Field said, even if some longtime fans of the product have expressed dismay that it will be absorbed by a traditional technology giant.

Mr. Field is still adjusting to the new status. Asked if he was now, in the Silicon Valley vernacular, a tech bro, he demurred.

"I don't know," he said. "You tell me."

U.S. WATCH

WEST VIRGINIA

Gov. Justice Signs Bill Banning Abortion

Republican Gov. Jim Justice on Friday signed into law a ban on abortions at all stages of pregnancy, making West Virginia the second state to enact a law prohibiting the procedure since the U.S. Supreme Court's June ruling overturning its constitutional protection.

The bill will go into effect immediately, except for the criminal penalties, which will go into effect in 90 days, he said.

The ban has exemptions for medical emergencies and for rape and incest victims until eight weeks of pregnancy for adults and 14 weeks for children. Victims must report their assault to law enforcement 48 hours before the procedure. Minors can report to the police or a doctor, who then must tell police.

The bill requires abortions to be performed by a physician at a hospital—a provision that at



REMEMBRANCE: The POW/MIA flag flies near the U.S. Capitol on National POW/MIA Recognition Day, honoring former prisoners of war and service members who are still missing in action.

least two Republican lawmakers have said was intended to shut down abortions at the Women's Health Center, which was the state's sole abortion clinic.

Shortly after lawmakers passed the bill Tuesday, Women's Health Center of West Virginia Executive Director Katie Quiñonez said the clinic's lawyer

advised them to suspend abortions immediately.

Indiana's abortion ban started being enforced Thursday.

—Associated Press

NEW YORK

Museums to Identify Art Looted by Nazis

Museums in New York that exhibit artworks looted by Nazis during the Holocaust are now required by law to let the public know about those dark chapters in their provenance through placards displayed with the stolen objects.

At least 600,000 pieces of art were looted from Jewish people before and during World War II, according to experts.

Some of that plunder wound up in the world's great museums.

New York Gov. Kathy Hochul signed a law in August requiring museums to put up signs identifying pieces looted by the Nazis from 1933 through 1945.

It isn't clear how many pieces of art now on display will wind up being labeled as Nazi loot, and disagreements have already arisen over certain artworks with a complicated history.

—Associated Press

CALIFORNIA

Wildfire Crews Could Face Strong Winds

A weekend weather system could hamper firefighters' efforts in Northern California to battle the week-old blaze that has become the largest in the state so far this year.

The system is forecast to bring colder temperatures and precipitation—from ¼ inch to more than 1 inch of rainfall over several days—to the Mosquito Fire about 110 miles northeast of San Francisco. But stronger winds are also expected to arrive in the area beginning Saturday, and the winds could throw burning embers and create spot fires despite the rain.

In Southern California, firefighters were close to completely surrounding a deadly wildfire that erupted Sept. 5. The Fairview Fire burning about 75 miles southeast of Los Angeles was 94% contained Friday.

—Associated Press



We keep more Americans **safe** online than anyone else

For over 20 years, we've been protecting Americans from cybersecurity threats. From phishing protections to safeguarding the websites of news outlets and human rights organizations, we're building advanced technology that raises the bar for the entire industry and makes the whole internet safer for everyone.

2-Step Verification was built to secure your account, and we've turned it on by default for 150 million people.

Google Chrome's Safe Browsing technology was built to block risky sites, protecting over 5 billion devices every day.

Gmail phishing protections were built to stop 100 million phishing emails every day.

Project Shield was built to defend news and human rights organizations from digital attacks in over 100 countries.

Our **Advanced Protection Program** was built to protect high-risk users from highly targeted attacks.

Explore how Google is building tools to keep more people safe and secure at safety.google



Safer with Google

U.S. NEWS

Adderall Shortages Prompt ADHD Patients to Adjust

Labor shortage, increased demand put drug on back-order at many pharmacies

By JOSEPH DE AVILA AND ALYSSA LUKPAT

Patients with attention-deficit hyperactivity disorder are having trouble filling prescriptions of Adderall and generic versions of the drug amid growing demand and a shortage of the medication, according to manufacturers, retailers and patients.

Camber Clemence, from Fort Myers, Fla., hasn't been able to get her prescription filled since June, which has forced her to make changes to her life at work and at home. She has dialed back her responsibilities at her marketing job because she has difficulty staying focused.

As a parent of two teenagers, she said she struggles to remember scheduled tasks and events.

"It has been kind of a nightmare," said Ms. Clemence, 36 years old. "I can't get enough done. I feel like I need to take way more breaks than I needed to take before, and I've had to shift how I work."

Teva Pharmaceutical Industries Ltd., the largest supplier of Adderall in the U.S., said Friday a labor shortage on the packaging line earlier this year disrupted production of the drug, contributing to delays.

Demand for the stimulant rose during the Covid-19 pandemic as the federal government relaxed rules requiring an in-person visit to get a prescription for the medication. Doctors could prescribe ADHD drugs with a telehealth appointment, making it easier for patients to get prescriptions.



Adderall prescriptions in the U.S. rose to 41.4 million last year, according to Iqvia Holdings Inc.

Prescriptions for Adderall in the U.S. rose to 41.4 million last year, up 10.4% from 2020, according to Iqvia Holdings Inc., a data and research services provider for the pharmaceutical industry.

Teva expects a full recovery for all inventory and orders in the coming weeks, which should resolve the disruption at the pharmacy level, a spokeswoman for the company said. Teva is actively shipping both branded and generic versions of the drug to customers, but some people may experience temporary back-orders based on timing and demand, she said.

The ADHD drug, both the extended release and immediate release version, is on back-order with Sandoz Inc., a division of Novartis AG, because of increased demand, a spokeswoman said. The company can only produce the medication, which is a schedule two controlled substance, based on strict quotas agreed by the U.S. Drug Enforcement Administration, and on pre-

dicted forecasts by customers, she said. So when customers order more, the company has been unable to fulfill these requests, she said.

Since manufacturers have to adhere to quotas limiting how much of the medication they can produce, others can't step in to fill the void, said Erin Fox, senior pharmacy director at the University of Utah Health. That can create complications when there are shortages, she said.

The DEA didn't immediately return a request for comment Friday.

A survey of 360 community pharmacies conducted from July 25 through Aug. 5 found that 64% of them had difficulty getting Adderall, according to the National Community Pharmacists Association.

The U.S. Food and Drug Administration currently isn't reporting a shortage of Adderall or the generic version, but did from September 2019 through May 2022. A spokeswoman for the FDA said the agency was monitoring the supply of

ADHD medications.

Peyton Miller from Orlando Fla. has had trouble filling her monthly Adderall prescription since June. Each month since then, she's had to wait about a week before her prescription got filled, she said.

Ms. Miller notified her boss that she wasn't always getting her medication and that she might need reminders to complete some tasks, she said.

"It definitely causes severe anxiety wondering when I'm going to get my meds and not being on medication because it affects how your brain works," said Ms. Miller, who works as a social media manager for a hospital network.

There are signs supplies for Adderall and generic versions of the drug will be improving in the coming weeks, Dr. Fox said.

Several drugmakers, in addition to Teva, have indicated they will be releasing more of the medication at the end of September, according to the American Society of Health-System Pharmacists.

Crispr Treatments Show Early Promise

By JOSEPH WALKER

Intellia Therapeutics Inc. reported encouraging early-stage study results for its Crispr gene-editing treatments, the latest sign that the pathbreaking technology could result in commercially available drugs in the coming years.

Intellia said Friday that one of its treatments, code-named NTLA-2002, significantly reduced levels of a protein that causes periodic attacks of swelling in six patients with a rare genetic disease called hereditary angioedema, or HAE.

In a separate study building on previously released trial data, Intellia's treatment NTLA-2001 reduced a disease-causing protein by more than 90% in 12 people with transthyretin-mediated amyloidosis cardiomyopathy, or ATTR-CM, a genetic disease that can lead to heart failure.

Despite the positive results, questions remain about whether therapies based on Crispr will work safely and effectively, analysts said.

Intellia's latest studies involved a small number of patients, and were disclosed in news releases and haven't been published in a peer-reviewed journal. The NTLA-2002 study results were presented at the Bradykinin Symposium in Berlin, a medical meeting focused on angioedema.

The data came from small, so-called Phase I studies conducted in New Zealand and the U.K. that didn't include control groups. Results from such early studies can be unreliable predictors of a drug's safety and effectiveness once the compound is tested in larger numbers of patients.

Intellia shares fell 4.2% in trading on Friday, partly due to safety concerns because liver enzyme levels temporarily rose in some people in the studies.

The findings, nevertheless, add to preliminary but promising evidence of the potential for drugs based on the gene-editing technology. Last year, Intellia

said that NTLA-2001 reduced the disease-causing protein involved in ATTR patients.

"We've shown that the first time wasn't an aberration," Intellia Chief Executive John Leonard said.

In the HAE study, three patients were given a 25-milligram treatment dose and had their protein levels reduced by 65% on average over at least 16 weeks. Before the study, the patients typically experienced 1.1 to 7.2 swelling attacks a month; the attacks were reduced by 91% on average over 16 weeks, Intellia said.

The other three HAE patients received a 75-milligram dose. Intellia, based in Cambridge, Mass., said the study subjects had even greater average pro-

The study findings add to preliminary evidence of the potential for drugs.

tein reductions of 92%, but it couldn't report their swelling attack rates because the subjects hadn't completed the observation period yet.

People in the HAE study were allowed to keep taking previously prescribed drugs to prevent swelling attacks, which is likely to have biased the results in favor of Intellia's treatment, BMO Capital Markets analyst Kostas Biliouris said in a note to clients.

Intellia said some patients in the two studies reported on Friday had temporary, low-grade elevations of enzymes measured in lab tests for signs of liver damage. The patients didn't experience any symptoms, and their enzyme levels later returned to normal, Intellia said.

Still, the liver enzyme signals seen in the small studies "hint at increased risks as trials get larger," Citi's David Lebowitz said in a client note.

OVER THE RAINBOW OSCAR HEYMAN SAPPHIRE NECKLACE

Fancy-color sapphires. Iconic firm. One-of-a-kind artistry.

This extraordinary multi-color sapphire necklace showcases both the quality and creativity of the legendary jewelry designer Oscar Heyman. The dazzling strand of sapphires totaling 114.17 carats exhibits a vibrant rainbow of hues, from brilliant yellow, bright orange and vivid violet to sea green, bold blue and pale pink. The 26 gems are perfectly placed alongside diamond florets totaling 20.05 carats that beautifully complement the overall design. Set in 18K yellow gold and platinum. Stamped "HB." 16 3/4" length. #31-5886

Scan to view a video of this necklace

M.S. Rau
FINE ART • ANTIQUES • JEWELS

622 Royal Street, New Orleans, LA • 888-767-9190 • ws@rauantiques.com • msrau.com

Since 1912, M.S. Rau has specialized in the world's finest art, antiques and jewelry. Backed by our unprecedented 125% Guarantee, we stand behind each and every piece.



ByteDance shelved its overseas IPO plan last year after facing pressure from Beijing and Washington.

ByteDance Offers Cash To Backers

Continued from Page One

extending its existing staff stock-incentive plan for another 10 years, according to the memo. Its board has agreed with the plan and will put it to shareholders at the end of this month, people familiar with the proposal said.

The repurchase is expected to be completed in the next two to three months, one of the people said. Bloomberg and Reuters earlier reported the memo.

ByteDance, one of the world's most valuable startups, has been struggling between Beijing's crackdown on China's tech sector and Washington's lingering questions over how it handles TikTok's U.S. user data and how its links with Beijing could affect content on the short-video app.

TikTok Chief Operating Officer Vanessa Pappas pushed back against senators who grilled the company over its links to China at a hearing Wednesday. She said TikTok is committed to the security of its U.S. users and is working on a deal with the U.S. government to safeguard American user data.

One of the highest priorities for TikTok is to earn trust,

though this process will be long, Shou Zi Chew, chief executive of TikTok, said at a ByteDance all-hands meeting last month, according to employees who attended.

Founded in 2012, ByteDance had been looking to isolate TikTok from its domestic businesses and list the two segments separately, people familiar with the matter said, a move that sought to address concerns of both Beijing and Washington and would allow many of its long-term shareholders to monetize their investment.

ByteDance shelved its overseas IPO plan last year after government officials told it to focus on addressing data-security risks, the Journal has reported. ByteDance also owns Chinese apps including TikTok's sister app Douyin and Jinri Toutiao, a news-aggregator app.

Beijing's regulatory clampdown on its tech sector has wiped out more than half of the value of many of the country's biggest internet companies over the past year, dealing a huge blow to market confidence. Meanwhile, China's economic downturn has also dented ByteDance's businesses, especially its main advertising segment, forcing the company to lay off thousands of employees.

Many of ByteDance's businesses hadn't met expectations in the past year, said Liang Rubo, ByteDance chairman and chief executive, at the all-hands meeting, according to

employees. The company will focus on key projects and reduce its investment in those noncore units for the coming years, he added.

Julie Gao, a senior lawyer hired in April as the company's chief finance officer, told employees at the event that the company currently had no plan or timeline for going public. That quelled market speculation that with her joining, ByteDance aimed to move forward with an IPO.

Gray-market investors in more than a dozen deals since July have priced the company at between \$260 billion and \$300 billion, people familiar with the deals said. Late last year, the social-media company was valued at as much as \$400 billion, they said.

Some of ByteDance's preferred shareholders will be allowed to request the company to redeem their shares for cash as of November, according to the company's articles of incorporation.

ByteDance last month cut the price of stock options granted to employees by 21% from June to \$155 a share and granted options to some 30,000 employees, according to a memo seen by the Journal. The move was seen by employees as a step to retain staff. The prices offered to employees are typically lower than the market prices of the company's shares.

ByteDance will also put 1% of its shares into the stock-incentive program for staff, people familiar with the plan said.

EMMANUEL WONG/GETTY IMAGES

WORLD NEWS

Ukraine Uncovers Mass Gravesite

Investigators say they found signs of torture on some of the bodies buried in the northeast

By **STEPHEN KALIN**

IZYUM, Ukraine—Ukrainian police investigators and war-crimes prosecutors began exhuming hundreds of bodies Friday from a mass burial site in the recently recaptured city of Izyum, some of which they said showed signs of torture.

Digging with shovels, dozens of forensic workers removed the bodies of civilians and a few soldiers from shallow graves in this forested area next to an existing cemetery, working to make an initial identification before wrapping them in white bags and sending them to the morgue.

Most of the bodies were buried in individual graves marked with wooden crosses bearing numbers that approached 450. But investigators said some graves likely contained more than one and that a large excavation may have held numerous bodies. Some of the crosses bore names and dates of birth and

death; others were marked with flowers or traditional embroidered blankets, suggesting that families of the deceased knew about their location.

Dmytro Lubinets, an ombudsman overseeing human-rights issues for the Ukrainian parliament, said Friday that investigators and ordnance-disposal teams clearing the area of mines had discovered the bodies. Izyum, a northeastern city that served as a logistical hub for Russian troops, was recaptured earlier this month by Ukrainian forces.

In a video address late Thursday, President Volodymyr Zelensky said Russia would be made to answer for atrocities it has committed on Ukrainian territory.

The Kremlin didn't comment on Mr. Zelensky's allegations. Leonid Slutsky, head of the Russian parliament's international affairs committee, described the Ukrainian president's statement on Friday as "another low-grade provocation and lie."

The United Nations Human Rights Monitoring Mission in Ukraine is planning to visit Izyum to determine how the people buried there died, said Stéphane Dujarric, spokesman for U.N. Secretary-General



Workers waited on Friday to start digging at a mass burial site discovered after Ukrainian forces retook the city of Izyum.

António Guterres.

About 20 of the bodies found in Izyum were of soldiers, but there were women, children and elderly people there too, said Mr. Lubinets. Investigators found that the bodies of some soldiers bore signs of torture, and one soldier appears to have been shot at close range, said Mr. Lubinets, and one man was found with a rope tied around his neck, suggesting he may have been hanged or killed himself. These details couldn't be independently verified.

Ukrainian officials believe some of those found in the graves were killed at the start of the occupation of Izyum, possibly around April, Mr. Lubinets said. But a local resident named

Denys said he had seen Ukrainian morgue workers working in coordination with Russian forces bringing bodies into the vicinity over the summer.

Ukrainian authorities are investigating the possibility that some of the people buried died of exposure in the early days of the occupation. Others probably died in artillery attacks and bombing, said Serhii

Bolvinov, chief police investigator of the Kharkiv region.

—Nancy Youssef contributed to this article.

Watch a Video



Scan this code for a video on the discovery of the mass burial site in Izyum.

Blasts Inside Russian-Held Territory Kill Occupation Officials

By **MATTHEW LUXMOORE**

Explosions rocked Russian-held strongholds in Ukraine on Friday as Kyiv continued its push to regain territory seized by Moscow's forces.

Russian-backed authorities described separate attacks on government buildings, including a blast in the eastern city of Luhansk that killed two Moscow-installed officials and an explosion during a meeting of Moscow-appointed officials in Kherson, in southern Ukraine.

In Berdyansk, another southern city, the deputy head of occupation authorities, Oleh Boiko, was killed with his wife, who was involved in organizing a referendum on the region joining Russia, reported Russian state news agency TASS.

The attacks come as Ukraine presses Moscow's troops positioned not only in the Kherson region but also in the easternmost parts of the Kharkiv region and areas of eastern Ukraine. Ukrainian officials say they have retaken about 3,500

square miles from Russia in the northeastern Kharkiv region, and that attention focuses on whether Kyiv can capitalize on those gains to make headway in a long-telegraphed offensive in Kherson.

Russian President Vladimir Putin said Friday that Ukraine's counteroffensive won't derail Russia's campaign. "Our offensive operations in the Donbas itself do not stop, they are going on," he said after a summit in Uzbekistan. "They are moving at a slow

pace, but...the Russian army is occupying new territories."

He said Russia launched several warning strikes in response to Ukraine's counteroffensive and there could be a more serious response in the future.

In Luhansk, Russian-installed officials told Russia's RIA state news agency that the general prosecutor in the occupied Luhansk region, Sergei Gorenko, and his deputy were killed when an improvised explosive device went off in his office. Mykhailo Podolyak, an adviser to Ukrainian

President Volodymyr Zelensky, said Ukraine wasn't involved in the Luhansk blast.

Yury Sobolevsky, the Ukrainian deputy chairman of the Kherson regional council, confirmed that an explosion occurred in Kherson but didn't implicate Ukraine, and said there was no information about the casualty count.

If it is confirmed that Ukraine is responsible for both attacks, it would demonstrate the growing reach of Ukrainian intelligence deep inside

Russian-held territory and could further demoralize Russian forces as they suffer stinging battlefield defeats.

TASS said the strike in Kherson wounded a local official and killed the official's driver. Yekaterina Gubareva, a Russian-installed official in Kherson, said the attack came as she and her colleagues were meeting with Moscow-appointed mayors and district chiefs.

Ms. Gubareva said she was pulled from the ruins of the building by a stranger.



ATLANTIC OCEAN VIEW



INTRACOASTAL WATERWAY VIEW



TURNBERRY
OCEAN CLUB RESIDENCES

YOUR PRIVATE PANORAMA

SKY RESIDENCE 4803 | FULLY FURNISHED & OCCUPANCY-READY

Magnificent sunrise and sunset views combine with unparalleled privacy in this one-of-a-kind flow-through residence featuring dramatic indoor and outdoor living and entertainment spaces overlooking both the Atlantic Ocean and the Intracoastal Waterway. This residence is complete with exquisite custom interiors, furnishings hand-selected by Nick Luaces Design Associates, and a private beachfront cabana.

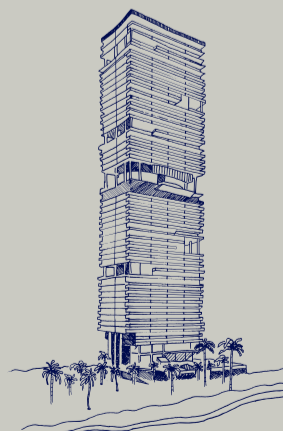
INQUIRE FOR PRIVATE VIEWING. THIS FLOORPLAN ALSO AVAILABLE UNFURNISHED AND DECORATOR-READY.

VIRTUAL TOUR



VISIT OUR SALES GALLERY & MODEL RESIDENCE

18501 Collins Avenue,
Sunny Isles Beach, FL 33160
888.578.8865
TurnberryOceanClub.com



NOW COMPLETE

WE ARE PLEDGED TO THE LETTER AND SPIRIT OF THE US POLICY FOR ACHIEVEMENT OF EQUAL HOUSING OPPORTUNITY THROUGHOUT THE NATION. WE ENCOURAGE AND SUPPORT AN AFFIRMATIVE ADVERTISING AND MARKETING PROGRAM IN WHICH THERE ARE NO BARRIERS TO OBTAINING HOUSING BECAUSE OF RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN. ALL REAL ESTATE ADVERTISED HEREIN IS SUBJECT TO THE US FEDERAL FAIR HOUSING ACT OF 1968 WHICH MAKES IT ILLEGAL TO MAKE OR PUBLISH ANY ADVERTISEMENT THAT INDICATES ANY PREFERENCE, LIMITATION, OR DISCRIMINATION BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN. PLEASE CHECK WITH YOUR LOCAL GOVERNMENT AGENCY FOR MORE INFORMATION. THE SKETCHES, RENDERINGS, PICTURES AND ILLUSTRATIONS ARE PROPOSED ONLY AND THE DEVELOPER RESERVES THE RIGHT TO MODIFY, REVISE OR WITHDRAW ANY OR ALL OF THE SAME AT ITS SOLE DISCRETION WITHOUT NOTICE. THE RENDERINGS ILLUSTRATE AND DEPICT A LIFESTYLE, HOWEVER, AMENITIES, FEATURES AND SPECIFICATIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE. ALL INFORMATION IS DEEMED RELIABLE BUT IS NOT GUARANTEED AND SHOULD BE INDEPENDENTLY VERIFIED. NOT AN OFFER WHERE PROHIBITED BY STATE STATUTES. THE COMPLETE OFFERING TERMS ARE IN A FLORIDA PROSPECTUS AVAILABLE FROM DEVELOPER. A CPS-12 APPLICATION HAS BEEN ACCEPTED IN NEW YORK AS FILE NO. CP16-0134, A COPY OF WHICH SHALL BE PROVIDED TO ANY PURCHASER WITH RESPECT TO WHOM THE OFFERING IS DEEMED MADE IN OR FROM THE STATE OF NEW YORK PURSUANT TO NEW YORK LAW. FOR A LIMITED TIME, DEVELOPER PAYS THE INITIATION FEE AND FIRST YEAR'S DUES AT TURNBERRY ISLE RESORT & COUNTRY CLUB FOR THE PURCHASERS OF A RESIDENCE AT TURNBERRY OCEAN CLUB. BUYERS ARE RESPONSIBLE FOR ALL FEES BEGINNING YEAR TWO.

WORLD NEWS

Russia's Battered Army Faces Hurdles Germany Takes Control Of Rosneft Refineries

By DANIEL MICHAELS
AND YULIYA CHERNOVA

Russian forces sent fleeing by Ukraine's recent counterattack are attempting to establish defensive positions and regain their footing. It is a difficult pivot even under ideal conditions, and so far Moscow's forces show signs of struggling to adapt.

Battlefield setbacks are just one challenge facing the Kremlin as it tries to secure its territorial gains in Ukraine and fend off nascent criticism at home. Kyiv's forces this month have retaken dozens of settlements and more than 3,500 square miles of Russian-controlled ground in the northeastern Kharkiv region, said government officials. Ukraine hopes to capitalize on those gains to advance their offensive in the southern city of Kherson.

On the battlefield, Russia has lost hundreds of heavy military vehicles, according to open-source intelligence reports. It also lost several pieces of classified electronic-warfare equipment that are in the hands of Western-allied forces. Many Russian soldiers—in the thousands, by some estimates—have either surrendered or will become prisoners of war.

Ukraine's advance will allow its rockets to hit targets deeper within Russian-controlled areas, potentially in occupied parts of Ukraine such as Crimea and in Russia itself.

Within Russia, criticisms of President Vladimir Putin and his regime remain limited but are growing. Spreading wariness about the war could limit Mr. Putin's options for responding, such as a partial mobilization or a draft, which under Russian law likely would require an outright declaration of war.

"We gave up the strategic initiative," said Vladimir Solo-



Fleeing Russian troops have left behind military equipment, such as this howitzer abandoned at a gas station in the Kharkiv region.

view, a popular host on state-run television this week.

Russia still retains significant forces deployed in and around Ukraine, and vast stores of weaponry and ammunition, giving it the potential to hit back. While Kyiv has seized the initiative in routing some of Moscow's front-line troops, it is far from uprooting all Russian forces occupying its territories.

Ukraine also could face more opposition in pushing further into Russian-controlled regions, military analysts say. Kyiv's recent gains near Kharkiv, in the northeast, were achieved using surprise and by finding weak points in Russia's long and thinly protected front line, according to soldiers involved in the fight. Achieving such surprise again could be

difficult, and Ukrainian forces are advancing into regions where Russian troops are more dug in than near Kharkiv.

Eastern parts of Ukraine under pro-Russian occupation since 2014 have been bound more closely to Moscow, so Kyiv's forces may get less support from local populations.

"I think it does become somewhat harder for the Ukrainians going forward," said Dmitry Gorenburg, a Russian military expert at CNA, a defense-research organization in Arlington, Va. As the area Russia is defending shrinks, its ratio of forces to territory should rise, he said.

Working against Russia is low morale, an inflexible military command structure and poorly maintained equipment. Energized Ukrainian forces,

who have shown themselves to be nimble in battle, are using new and well-kept equipment.

Since launching its invasion, Russia has been slow to react to battlefield intelligence and developments, said Ukrainian and Western analysts. That rigidity bodes ill for Moscow's ability to handle its sudden and unexpected setbacks, they said.

Igor Girkin, a military observer and former intelligence officer who commanded irregular Russian forces in Donbas in 2014, wrote in his Telegram channel that Ukrainian success came because of failures in how senior Russian leadership conducted the war. If Russian forces continue as they have, he said, "we will, in the end, suffer a crushing defeat in this war."

Russia's combination of bat-

tlefield losses and growing internal dissent could increase pressure on Moscow to double down on its fight, analysts said.

"Russia will have to show something for this," said Emily Ferris, a specialist on Russian politics and its military at the Royal United Services Institute, a think tank in London.

"The one path that Russia does have available is boosting the costs it can impose on its adversaries, both in Ukraine and in Europe," said Samuel Charap, a Russia expert at Rand Corporation. "But that's not taking territory."

If Russia suffers calamitous losses, Mr. Putin could resort to biological or nuclear weapons, some analysts say, though many military experts contend that doesn't seem likely soon.

Germany Takes Control Of Rosneft Refineries

BERLIN—Germany took control of the German business of Russian oil giant Rosneft Oil Co. as Berlin races to safeguard its energy supplies before its planned ban on Russian oil imports kicks in later this year.

By Georgi Kantchev,
Bojan Pancevski
and Joe Wallace

The German government said it would place Rosneft's German subsidiaries under trusteeship. The business's flagship asset is the PCK refinery in Schwedt, eastern Germany, that provides Berlin and the surrounding region with much of its gasoline and aircraft fuel. Rosneft's Germany assets make up a total of about 12% of the country's oil-processing capacity, making it one of the largest oil-processing companies in the country.

"The trusteeship counteracts the impending threat to the security of the energy supply and lays an important foundation for the preservation and future of Schwedt," the economy ministry said Friday.

The step marks an escalation in the economic standoff with Russia as Germany seeks to decouple itself from decades of reliance on Moscow's prolific energy exports.

It is the second major Russian energy asset that the German government is taking over in the wake of the Ukraine invasion. Berlin put Gazprom PJSC's German natural-gas business, formerly known as Gazprom Germania GmbH, under trusteeship in April.

The German move on Friday raises questions as to whether Schwedt would continue to receive Russian oil. Without supplies, the refinery would only have reserves for about three weeks, a senior PCK manager said.

Existing pipelines can supply Schwedt with non-Russian oil, but not enough to allow the refinery to operate at capacity, the manager said. Expanding the pipelines' capacity would cost hundreds of millions of euros and take up to three years, the PCK manager said.

A senior German official denied this was the case and said the refinery would be supplied via pipelines leading to the port cities of Rostock in northeastern Germany and Gdansk in Poland.

The Kremlin-controlled Rosneft didn't respond to a request for comment.

Putin Presses Threat to Curtail Grain Deal

By JARED MALSIN
AND GEORGI KANTCHEV

Russian President Vladimir Putin renewed his threats to sink an international agreement to unblock Ukraine's vital grain exports through the Black Sea, saying not enough grain was going to the world's poor.

Mr. Putin has made the false claim before, raising doubts about the long-term survival of the United Nations-brokered pact, agreed to earlier this year to address a global hunger crisis. Some 28% of the more than three million tons of grain shipped under the deal has gone to lower-income countries, including Egypt, India and Iran. The increased supplies have helped decrease prices across the board, easing the pressure

on some of the world's most vulnerable populations.

"Let's really hope that a significant part of it—so far this has not been achieved—will still go through the U.N. food program for the poorest countries," the Russian president said.

The comments came at a meeting with Turkey's President Recep Tayyip Erdogan, who helped broker the deal along with the U.N. It was the first meeting between the two since Mr. Putin first threatened to abandon the pact last week, and followed a difficult week for the Russian leader that saw both China and India flag their concerns about the war as Russian forces lost territory to a Ukrainian offensive.

If Russia moves to disrupt the grain export agreement, it

likely would trigger another spike in global food prices while 50 million people are dealing with severe hunger this year, according to the U.N. Russia's invasion shattered the agricultural sector in Ukraine,

Russian president tells Turkey's leader he wants more food to go to poor nations.

which produced about 10% of the world's wheat and 15% of its corn before the war.

For Mr. Erdogan, the meeting—the third such sit-down with Mr. Putin since July—was an opportunity to salvage one

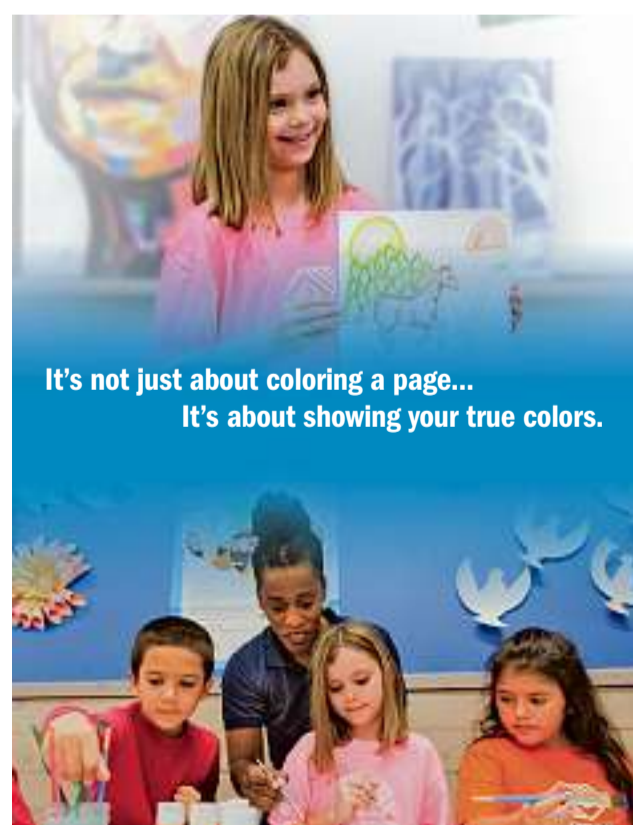
of his key diplomatic achievements. The Turkish president, one of the few world leaders who regularly speaks with Mr. Putin, has sought to bridge the divide between Russia and the West during the war, selling weapons to Ukraine, while deepening Turkey's economic relationship with Russia as he attempts to develop a bigger role as a regional power broker. Mr. Erdogan said Friday he ultimately hopes to bring about a peace agreement between Russia and Ukraine.

"It is the diplomatic prestige that Erdogan and Turkey get from being an instrumental part of that deal. This is something that the Turkish president uses abroad as well in its relationship with the West," said Sinan Ulgen, a former Turkish diplomat and

head of the Istanbul-based think tank Edam.

Turkey is the only member of the North Atlantic Treaty Organization not to impose sanctions on Russia, and Western officials have grown concerned that the country is becoming a haven for sanctioned Russian money.

Mr. Putin, meanwhile, has repeatedly warned that Western measures against Russia are harming the world's poorer countries. Speaking earlier Friday during a summit in Uzbekistan of the Shanghai Cooperation Organization, an international organization dominated by Russia and China, Mr. Putin reiterated calls for Europe to drop what he described as restrictions on imports of Russian agricultural products.



It's not just about coloring a page...
It's about showing your true colors.

A place to become... An artist, a business leader, a teacher. If kids and teens can dream it, Boys & Girls Clubs can help them become it. Because at our Clubs, it's not magic that makes dreams come true, it's the people. Like our Youth Development Professionals who ensure our youth have a place to feel physically and emotionally safe. A place to belong. A place to have fun. A place to learn and grow on their path to a Great Future.

GREAT FUTURES START HERE.

BOYS & GIRLS CLUBS
GreatFutures.org

Modi Raises War Concerns With Russian Leader

By SHAN LI
AND TRIPTI LAHRI

Indian Prime Minister Narendra Modi told Russian President Vladimir Putin that "today's era is not one for war" at a meeting on Friday, in a rare public expression of Indian unhappiness over Russia's war in Ukraine.

Their meeting on the sidelines of the Shanghai Cooperation Organization in Samarkand, Uzbekistan, came a day after Mr. Putin sat down with China's Xi Jinping at the meeting, and acknowledged that Beijing has raised concerns about the Ukraine war. Both countries have provided economic support to Russia as it weathers sanctions, in part by increasing oil imports and offsetting declines in Moscow's exports to Europe. The concerns raised by the two countries, which have long had close ties with Russia, capped a week when Moscow has faced battlefield setbacks.

"Democracy, diplomacy, and dialogue, these are things that can touch the entire world," said Mr. Modi in opening remarks at the meeting, saying he had expressed the sentiments to Mr. Putin. "Today we will get a chance to discuss how we can progress on the path of peace."

Mr. Putin told his Indian counterpart that he is aware of India's concern, and that Russia would do everything to end the conflict in Ukraine, state news agencies reported. "We want all of this to end



Indian Prime Minister Narendra Modi met with Russian President Vladimir Putin on Friday in Uzbekistan.

as soon as possible," said Mr. Putin, according to a translation from the office of the Indian prime minister, but said that Kyiv isn't willing to negotiate.

Tanvi Madan, director of the India Project at the Brookings Institution in Washington said it was notable that Mr. Modi publicly expressed concern over the war. That wasn't just a gesture to placate Western and Indo-Pacific countries, but an expression of genuine concern about the Russian invasion and its impact. "Modi does not want to be seen as endorsing these actions," she said.

The war has affected several Indian strategic and economic objectives, she added, by putting new pressure on India's economy, impacting its arms supply

chain, and in India's view, diverting global attention from China.

Mr. Modi expressed worry about global food security and fertilizer supplies in remarks at the summit earlier in the day. The war has deepened supply chain issues, and raised prices of food and fuel. At the meeting, Mr. Putin noted that at the request of New Delhi, deliveries of Russian fertilizers to India increased by more than eight times, and expressed the hope this would help India's agricultural situation.

China, meanwhile, has faced damage to key relationships with Europe and Central Asian nations from its support for Moscow, analysts said.

Messrs. Modi and Xi appear to have skipped an informal din-

ner hosted by Uzbek President Shavkat Mirziyoyev on Thursday, at which Mr. Putin was present, according to a photo of leaders at the gathering. Attending the dinner also would have brought the Indian and Chinese leaders face to face for the first time since relations deteriorated sharply after a brutal Himalayan border conflict in 2020.

Since Russia's invasion of Ukraine, India has had to execute a difficult balancing act between Western allies, including the U.S., that it has drawn closer to in recent years, and its longstanding relationship with Russia. India had disappointed some Western countries by avoiding any denunciation of Moscow and taking a neutral stance on the war.



PAID ADVERTISEMENT



September 2022

Dear Mr. and Ms. Taxpayer Voter,

Federal spending is out of control and they don't want you to know about it. The fiscal irresponsibility of your elected officials and bureaucrats has taken the federal debt to levels not seen since World War II. With no end in sight.

The **U.S. Office of Personnel Management (OPM) redacted 350,000 federal executive agency employee names from our FOIA request (2021) – roughly \$30 billion in compensation.** In the last year of the Obama administration, only 2,367 names were redacted. OPM stated, "For those instances where data element are not released, they are being withheld under FOIA Exemption 6... the disclosure of which would constitute a clearly unwarranted invasion of personal privacy."

The Federal Reserve has 23,000 employees. They gave us the salaries of only 367 executives. They stated, "Releasing the names and specific salary information for all employees would not shed any further light on the Board's performance of its statutory duties." They told us that a database of their expenditures, a checkbook, does not exist. "Staff searched Board records and made suitable inquiries with knowledgeable staff but did not locate the information you seek." This from our country's central bank! 23,000 employees! No database of expenditures!

The **Vice President refused to give us any information.** They claimed, "The Office of Vice President is not subject to Freedom of Information Act requests." One would think the Vice President would want you, taxpaying voters, to know how she spent your tax dollars. Not so. Why?

The **U.S. Postal Service refused to produce line-by-line checkbook expenditures.** They stated that doing so would expose their "trade secrets." It is hard to imagine Federal Express or UPS benefitting from the USPS's money-losing "trade secrets." USPS also refuses to produce bonuses paid."

South Dakota limits public employee salary disclosure to only one at a time. The state has roughly 8,000 employees. A director at the Bureau of Finance and Management wrote, "According to our administrative rule, we do not provide lists except for legitimate state government purposes."

The California controller refused to produce a single state expenditure. Not one transaction! We filed sunshine requests with each of the 442 state agencies and compiled state expenditures like a jigsaw puzzle. Here's one thing we found: Governor Gavin Newsom solicited 979 state vendors. He received \$10.6 million in campaign cash. Those vendors received \$6.2 billion in state funding!

The National Institutes of Health (NIH) refuses to answer our Freedom of Information Act requests. NIH admitted they are past-due on 633 FOIA requests. NIH has understaffed FOIA production and overstaffed PR. NIH employs 86 public affairs officers who collectively cost the taxpayers \$15 million. You, the taxpayer, get their spin, but not how they spent your tax dollars. **We sued NIH. We found over \$300 million in third-party royalty (pharmaceutical company) payments enriching NIH, its leaders,**

and over 2,000 of its scientists during the past ten years. NIH redacted the invention/patent numbers, the name of the third-party payor, and the amount paid to the individual scientist!

Last spring, the **Republican House held a secret vote on earmarks.** A SECRET vote on how they spend YOUR tax dollars. 102 Republican Congressmen voted to join Democrats to bring back earmarks. Then, twenty-three newly elected Republican freshmen requested \$368 million in pet-project earmarks.

Fortunately, the world is changing. Mark Mills, in his book, *The Cloud Revolution*, points out that, mainly because of The Cloud and Big Data, we are on the cusp of another Industrial Revolution. A revolution that will impact every aspect of human activity, including government. **Today, there is no reason, other than direct social welfare payments and national security, why every government expenditure at every level is not available to the public promptly on their cell phones, iPads, and computers.** Today, we have the capacity to do this efficiently and economically.

Our goal at OpenTheBooks is to help bring this about. Diminishing, working to eliminate waste, fraud, duplication, and incompetence will not only address this exploding federal deficit, it will change the culture in government. Transparency can dramatically transform how we govern ourselves and it will make government programs more efficient.

Last year, OpenTheBooks filed 47,000 Freedom of Information Act requests. This year, we will increase our FOIA requests at least 20%.

The OpenTheBooks Government Expense Library, open to the public, lists over \$12 trillion in government expense items online and growing. You can find it at OpenTheBooks.com.

Our national debt is up five times in the last 20 years with no end in sight. The waste, fraud, duplication, and incompetence, is increasingly pervasive.

Addressing this exploding federal debt, this irresponsible spending, will not come from the top down. It has to start with you, the taxpaying voters. It's your money.

Begin with your Congressman, with your Senator. Ask what they have done to address this exploding federal deficit. Ask them to put their office budget, the budget of every committee they are on online.

Again, we are not going to address this massive irresponsible spending from the top down. It has to begin with you, the taxpayers. We have to change the culture within government.

If your current elected officials continue to show a complete lack of respect for your tax dollars, you can address this in the next election by not voting for them. It's your money. Change has to start with you.

To quote Senator Dirksen: "When I feel the heat, I see the light." Your vote can be a heat generator.

Thomas W. Smith
Chairman
OpenTheBooks.com

Adam Andrzejewski
CEO & Founder
OpenTheBooks.com

WE WELCOME YOUR SUPPORT:

OPENTHEBOOKS.COM

Paid for by OpenTheBooks.com – a non-partisan, non-profit advocate for government transparency.

WORLD NEWS

China's Economic Downturn Moderates

By Stella Yifan Xie

HONG KONG—Renewed Covid-19 curbs and a worsening property downturn are damping the outlook for China's economy, despite some modest signs of improvement as stimulus measures kicked in.

China released a raft of economic data on Friday, including figures showing that housing price declines accelerated and consumer spending remained weak. The data wasn't all bad, though. Infrastructure investment picked up more quickly than expected, and China's labor market improved.

Still, many economists caution that some seemingly stronger indicators mask the underlying weakness in the world's second-largest economy.

"Reality [is] not as good as the headline [data] suggests," wrote economists from Barclays PLC in a note to clients on Friday, highlighting headwinds including a deeper property contraction, intensified Covid-19 lockdowns and weakening export demand.

Average new-home prices in 70 major Chinese cities dropped 2.1% in August from the previous month, accelerating from a 1.7% decline in July, according to calculations based on data released Friday by China's National Bureau of Statistics.

August's decline was the steepest in year-over-year terms since September 2015, despite rate cuts and a loosening of real-estate regulations across the country last month. In month-on-month terms, new-home prices have fallen or remained flat for 12 consecutive months, surpassing an 11-month slide in 2014-15.

Weakness continues to plague other sectors of the economy, as Covid-19 restrictions continue to squelch de-



An employee walks past rolled steel at a port in Shanghai on Friday.

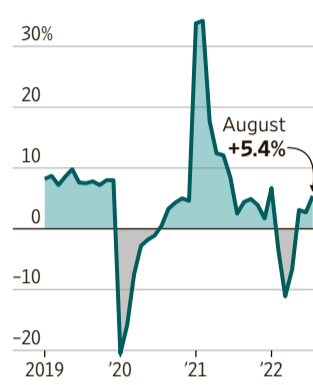
mand across the country.

Retail sales, a key gauge of China's goods and services consumption, remained soft. The pace of year-over-year growth in retail sales accelerated to 5.4% in August from 2.7% in July, in large part as a result of a lower base for comparison in the year-earlier period. Seasonally adjusted retail sales actually declined 0.8% when compared directly with July, said Capital Economics.

Tourism data for the Mid-Autumn Festival long weekend in early September suggested Chinese consumers are likely to keep their purse strings tight for now. Tourism spending from the three-day holiday fell 22.8% from a year earlier, according to data from the Ministry of Culture and Tourism. A mobility index by Chinese technology company Baidu Inc., meantime, showed the number of passenger trips falling 38% from the previous year.

Movie box-office revenue plunged by 25.9% from a year

China's retail sales, change from a year earlier



Note: China releases combined economic activity data for the first two months each year. Source: China National Bureau of Statistics

earlier over the long weekend, despite more films being released this year, according to industry tracker Lighthouse Data Pro.

A rebound in other major economic data was mainly driven by momentum in automotive and equipment manufacturing, as well as in China's

economically stronger coastal provinces, though favorable comparisons to the year-ago period also helped the numbers, a National Bureau of Statistics spokesman, Fu Linghui, said Friday.

Chinese fixed-asset investment rose 5.8% during the first eight months of the year compared with a year earlier, beating the median forecast of a 5.5% increase among economists surveyed by The Wall Street Journal. The pickup in investment was led by robust spending on infrastructure projects, a sign that Beijing's rescue measures are starting to have some effect.

Industrial production, a measure of factory output, held steady, as power shortages triggered by extreme heat waves and drought across swaths of the country eased. In August, the measure rose 4.2% from a year earlier, better than expectations and an acceleration from July's 3.8% increase. China's labor market im-

proved, as well. The country's headline measure of joblessness, the urban surveyed unemployment rate, edged down to 5.3% in August from 5.4% the previous month. Youth unemployment also declined, to 18.7%, from a record 19.9% in July.

The signs of improvement follow a number of steps that Chinese authorities unveiled last month to prop up growth, including extending hundreds of billions of yuan in credit to support infrastructure projects and support the power and agriculture sectors. The country's central bank also unexpectedly cut two key interest rates in mid-August.

"All told, the August data point to a slight loss of momentum overall," economists from Capital Economics told clients in a Friday note, predicting that business activity would remain weak throughout the remainder of the year.

A pullback in exports reported last week suggests Beijing might not be able to count on the sale of made-in-China goods to offset softening demand at home for much longer.

A weakening Chinese currency, which fell to below 7 yuan to the dollar for the first time in more than two years, could help bolster the competitiveness of Chinese goods in international markets. But it also has fueled worries in Beijing about capital flight.

Covid-19 controls remain another concern, nearly three years into the pandemic. In recent weeks, government officials have stepped up their vigilance against potential outbreaks ahead of a congress of China's Communist Party slated to begin Oct. 16.

—Grace Zhu and

Bingyan Wang in Beijing

contributed to this article.

Beijing Reports Monkeypox Case

Chinese authorities in the western megacity of Chongqing said they detected the mainland's first case of monkeypox, as Beijing continues to battle Covid outbreaks nationwide.

The infection was discovered in a traveler who arrived from overseas on an unspecified date, the Chongqing health commission said Friday.

The traveler exhibited a rash and other symptoms while being quarantined. The traveler is getting treatment at a hospital and is in stable condition, officials said, adding that anyone who came in close contact with the traveler is under medical observation.

Health authorities in Chongqing said the risk of further transmission is low. "The case was quarantined and controlled immediately after entering Chongqing, and there was no social activity," the health commission said, citing health experts.

Monkeypox, a virus related to smallpox, rarely was detected outside Africa before a recent outbreak that has sickened more than 60,200 people across about five dozen countries, with most of the known cases in the U.S.

The type of monkeypox spreading globally is considered a less-severe variety. Fatalities have been rare, though a handful of people have died in countries where the virus isn't endemic.

The Chongqing case comes after Hong Kong reported its first case of monkeypox last week.

—Liyun Qi

Queen's Farewell Prompts Awe...and Some Grousing

LONDON—Matthew Payne turned on the BBC last Sunday for commentary on the St. Leger Stakes horse race, the final leg of the English Triple Crown.

By Stu Woo, Alistair MacDonald and Denise Roland

Instead, he got a two-hour update on the whereabouts of Queen Elizabeth II's coffin in Scotland from the news-and-sports radio station.

"They're forcing it down your throat," said the 55-year-old from outside London. He said he respects the queen, but "it's literally suffocating. It's too much." He noted the queen was a horse-racing fan herself: "I don't think she would have wanted this."

Britain is nearing the end of a week-plus mourning period for the late queen, the country's longest-ruling monarch, whose 70 years on the throne won her widespread popularity. Her death, at age 96, set off long-planned ceremonies and events across Scotland, where she died, and the British capital, London. The country's

TV channels have scrapped regular programming to broadcast live updates, often via helicopter, of the movement of the queen's coffin. There have been processions and vigils.

Some Brits are starting to grumble it's overkill. A survey of nearly 3,000 people in Britain conducted Tuesday by pollster YouGov said that 49% of people thought there was too much coverage of the queen's death, while 41% said it was about right. A few folks, 2%, said there wasn't enough.

The queen's death has triggered an outpouring of emotion. Hundreds of thousands have turned out for nationwide events. A line to pay final respects as she lies in state in London has snaked more than 4 miles. Complaints largely don't reflect disenchantment with the queen or the royal family, but the disruption some of the pomp and circumstance has caused.

A state funeral is planned for Monday, which the government declared a public holiday. The funeral has led to the cancellation or delay of hospital procedures, soccer matches, industry conferences,



The death of Queen Elizabeth II has rippled through everyday life for Britons, regardless of their stance on the monarchy.

medical exams—and other people's funerals. Schools and grocery stores will be shut on Monday. McDonald's won't open until 5 p.m. that day.

Matches from soccer's Premier League to the lowest professional tiers of the sport were postponed. That upset Adam O'Grady-Marshall, who had bought \$85 train tickets to see

his hometown team, Peterborough United, play last weekend.

"Madness," said Mr. O'Grady-Marshall, a 39-year-old graphic designer in northern England. He and friends traveled anyway to the empty stadium to browse the team store. "Epic amounts of money have gone down the drain for businesses and customers," he said.

The funeral has also rearranged vacations. Ian Holland planned to head from Liverpool to London to watch ABBA Voyage, a concert in which the Swedish band is represented by holograms. The Monday show was canceled, but with train tickets and a hotel already booked, he and friends will travel anyway.

"I'm sure we'll find a pub and play darts or something," the 36-year-old chef said. "But the whole royalty thing isn't for me, so we'll just go keep out of trouble and have a little trip while one of the wildest and most expensive funerals on taxpayer money happens."

—Michael Wright contributed to this article.

U.S. in Talks With Suriname Over Taking Afghans Stuck in Kosovo

By Jessica Donati

WASHINGTON—American officials are in talks to send the remaining Afghans held at a U.S. base in Kosovo to the tiny South American nation of Suriname, after they failed to meet entry requirements for admission to the U.S., according to people familiar with the discussions.

The Suriname ambassador to the U.S. confirmed that talks with the U.S. were at a preliminary stage, and the country was weighing whether to move forward. "We are considering it," Ambassador Marten Schalkwijk said. "In general, Suriname is a country where people can adapt quickly."

The State Department declined to comment. Afghans were evacuated last year during the collapse of the U.S.-backed government and the Taliban takeover of Afghanistan.

"The State Department is in regular discussion with allies and partners about finding du-

erable, safe, voluntary resettlement solutions for Afghans who do not have a path to the U.S.," a spokesman wrote in an email.

The U.S. sent the Afghans, many accompanied by spouses and children, to Camp Bondsteel in Kosovo after they were flagged for additional screening during the vetting process, which included interviews and security database checks. Family members with U.S. citizenship or green cards were free to continue their journeys to America, but many families chose to stay together.

Suriname's president met with U.S. Secretary of State Antony Blinken on Thursday. The nation is among the most diverse countries in Latin America, with African, Amerindian, Indian, Javanese, Chinese, European and multiracial groups. It also has a large Muslim population.

The group of Afghans held in Kosovo told the U.S. they have concerns about the plan



Afghans who fled the Taliban at Camp Bondsteel in Kosovo in June.

to send them to Suriname because of the crime levels in the country and low economic output, said several who spoke to The Wall Street Journal.

Suriname has a population of almost 600,000 people, according to the World Bank, and its gross domestic product per capita is just over \$4,800 a year in current U.S. dollars.

Several Afghans held in Kosovo have told the Journal that 16 cases in total have been denied entry since being

evacuated from Afghanistan. Six have chosen to move on, relocating to Dubai where they previously had ties, or return to Afghanistan.

Among the remaining family members at the camp is an American woman married to an Afghan man and their three young children. She is due to give birth soon, but has so far declined efforts to relocate to the U.S. Her husband, an Afghan businessman, has been denied entry to the U.S.

The State Department doesn't provide a reason for denial, and many Afghans say they don't know why they were disqualified. Afghans from all walks of life ended up at Camp Bondsteel, ranging from a young businesswoman to a former intelligence agency chief.

Kosovo isn't the only country where Afghans have been held since being evacuated aboard U.S. military and charter flights last year. There are several thousand waiting for news on their immigration cases at a secure facility in the United Arab Emirates, and hundreds more scattered across southeastern Europe.

No one has been forced to leave Kosovo, and U.S. officials visiting the base have promised to find a solution. Still, residents of the camp began calling it "Little Guantanamo" because of their frustration with the lack of information about their cases and the austere conditions there, includ-

ing the presence of insects, snakes and exposure to the elements.

American officials have said disqualifying information could include past links to the Taliban or other U.S.-designated terrorist groups, or a criminal record in Afghanistan. Veterans and lawyers advocating for the Afghans have criticized the process as too opaque, and said that disqualifying information about the refugees could be incorrect.

The American woman who is staying there with her husband has reached out to rights groups and her congressional representative in California to get assistance, but no one has been able to help her determine whether and how she can appeal the case, she said.

A spokesman for Rep. Brad Sherman (D., Calif.) said his office was looking for ways to help her, but the State Department doesn't share the details of the decision in such cases.

OBITUARIES

FRED T. FRANZIA
1943–2022

Vintner Challenged Wine Orthodoxies

Before Fred T. Franzia introduced Charles Shaw wine in 2002, it was fashionable to talk about the expensive wines reposing in your cellar.

The debut of Shaw—sold for as little as \$1.99 a bottle at Trader Joe's and known as Two Buck Chuck—spawned a reverse snobbery: People boasted of finding a drinkable plonk for a pittance.

Though he didn't invent cheap wine, Mr. Franzia gave it a serious-sounding name and put it in bottles with corks, eliminating much of the skid row stigma. You might not bring it to a dinner party, but it wasn't a disgrace to admit you had it at home. More than a billion bottles of Chuck have been sold, according to his family-owned company, Bronco

Wine Co., of Ceres, Calif.

That success encouraged more people to try cheap wines and ignited a cultural war in the business. Producers of expensive wines sneered at Mr. Franzia. He called them "a bunch of whiners" and vowed to crush them like so many sour grapes.

No bottle of wine should cost more than \$10, Mr. Franzia argued. He asked whether people drinking \$80 bottles enjoyed them 40 times more than his \$2 tippie. If his wine cost less than bottled water, he said, that only proved the water was overpriced.

Mr. Franzia died Sept. 13 at his home in Denair, Calif. He was 79. His family declined to disclose the cause of death.

—James R. Hagerty

SUSAN L. SOLOMON
1951–2022

Lawyer Accelerated Stem-Cell Research

At age 18, Susan L. Solomon married the drummer for the rock band Country Joe & the Fish and moved to Berkeley, Calif. It was the late-1960s Flower Power era. She had a baby and two years later was a divorced single mother.

Ms. Solomon moved back East to start over. She earned a law degree at Rutgers University, worked as a lawyer and executive for Sony Corp. and other companies and eventually found a cause: raising more than \$400 million for stem-cell research aimed at curing such diseases as diabetes, cancer and Parkinson's.

She was chief executive and co-founder of the New York Stem Cell Foundation, which operates a research institute. Set up on her

kitchen table in 2005, the foundation grew out of her efforts to find better treatments for her son Ben Goldberger, who was diagnosed with Type 1 diabetes.

Along with work related to diabetes, the foundation has funded and pursued research into treatments for mitochondrial disease, age-related macular degeneration, cancer and amyotrophic lateral sclerosis, or ALS, among others.

Though she lacked scientific training, Ms. Solomon believed she could bring a new perspective. Another advantage: "I'm really comfortable asking dumb questions."

Ms. Solomon died Sept. 8 at her home in Amagansett, N.Y. She was 71 and had been under treatment for ovarian cancer.

—James R. Hagerty

LOWRY MAYS
1935–2022

Entrepreneur Stumbled Into Radio Business

By JAMES R. HAGERTY

Lowry Mays founded Clear Channel Communications Inc. and became a billionaire by using rapid-fire acquisitions to turn it into the largest U.S. radio broadcaster, now known as iHeart-Media Inc.

Under Mr. Mays, who died Monday at the age of 87, the company owned more than 1,200 stations and had a dominant presence in many cities. He added billboards, overseas operations, TV stations and a concert-promotion business to the mix.

It all started out as a mistake.

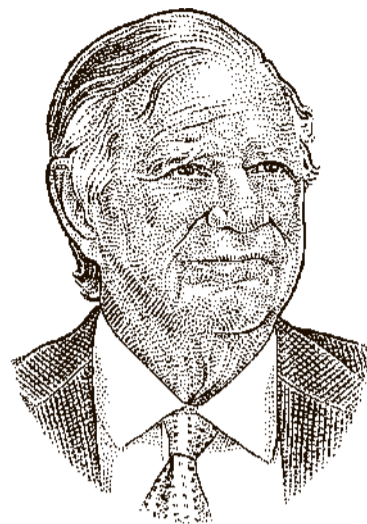
As a young investment banker in Texas, with a Harvard M.B.A. and a gift for salesmanship, he agreed to cosign a loan with two friends who bought a small, unprofitable radio station in San Antonio in 1972. Mr. Mays wanted nothing to do with operating a radio station. Soon, however, he found himself the station's owner when the friends couldn't meet debt payments.

Mr. Mays brought in another friend, Billy Joe "Red" McCombs, a car dealer, as a partner in what became Clear Channel. Soon they were buying more stations.

When the Telecommunications Act of 1996 reduced restrictions on ownership of radio stations, Clear Channel went on a buying spree. "We were off to the races," Mr. Mays said later in a video interview.

Clear Channel's critics said it was replacing local DJs and radio personalities with coast-to-coast conformity. A DJ riffing on local news and weather in Des Moines, Iowa, might be sitting in Los Angeles.

At a 2003 U.S. Senate committee hearing on consolidation of media ownership, Don Henley, a member of the Eagles rock band, said Clear Channel was so powerful it could pressure artists into



promotional deals. Mr. Mays denied that the company coerced artists in any way and said it was offering more choices for listeners.

He didn't see himself as a purveyor of news or Top 40 hits but rather as a supplier of advertising opportunities. "I'm in the business of selling automobiles and tamales," Mr. Mays told Forbes magazine.

In July 2008, Bain Capital LLC and Thomas H. Lee Partners LP acquired Clear Channel Communications Inc. for about \$17.9 billion. The acquisition left the business, renamed iHeart, loaded with borrowings. A decade later, iHeart filed for a Chapter 11 bankruptcy to restructure its debt.

Lester Lowry Mays, known by his middle name, was born July 24, 1935, in Houston and grew up in Dallas. His father, a steel salesman, died in a traffic accident when Lowry was 10 years old. Young Lowry worked as a hotel bellhop and sold peanuts at football games.

Dreaming of oil riches, he enrolled at Texas A&M University and majored in petroleum engineering. After graduating in 1957, he served in the Air Force, which sent him to Taiwan to oversee con-

struction of a pipeline.

While in the Air Force, he married Peggy Pitman, a grade-school teacher in San Antonio. After completing his military service, Mr. Mays enrolled at Harvard Business School and earned an M.B.A. degree in 1962. He found work at Russ & Co., an investment bank in Texas.

Rapid profit growth in the 1990s made Clear Channel a hot stock on the New York Stock Exchange. Mr. Mays said that provided an opportunity to reward executives with equity. "They were all happy because they were making all this money," he said. "I guess that led to the success more than anything."

In 2000, Clear Channel bought SFX Entertainment Inc., a giant concert promoter, for nearly \$3 billion. The concert business was supposed to thrive on support from the radio stations and billboards, but those synergies didn't match expectations. Five years later, Clear Channel spun off its live-entertainment business, renamed Live Nation.

Clear Channel's results deteriorated in the early 2000s as attractive acquisitions became harder to find. Mr. Mays had health problems. His sons took on more responsibility for running the company.

Through the Mays Family Foundation, Mr. Mays was a major donor to Texas A&M, which named its business school after him.

Mr. Mays is survived by four children, 16 grandchildren and three great-grandchildren. His wife, Peggy Mays, died in 2020.

His grandchildren called him Chief. At his ranch near Spring Branch, Texas, Mr. Mays kept herds of zebras, kudus, oryx and bongo antelopes from Africa. He enjoyed feeding saltine crackers to his bongos.

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

WORLD WATCH



People worked Friday to clear the way in Cantiano in central Italy after flash floods hit the region.

ITALY

Deadly Flash Floods Swamp Hill Towns

Flash floods swept through several towns Friday in hilly central Italy after hours of exceptionally heavy rain, leaving 10 people dead and at least four missing. Dozens of survivors scrambled onto rooftops or up into trees to await rescue.

Floods invaded garages and basements and knocked down doors.

"It wasn't a water bomb, it was a tsunami," Riccardo Pasqualini, the mayor of Barbara, told Italian state radio about the sudden downpour Thursday evening that devastated his town in the Marche region near the Adriatic Sea.

He said the overnight flooding left the town's 1,300 residents without drinking water. A mother and her young daughter were missing after trying to escape the floods, he told the Italian news agency ANSA. Elsewhere in town, a boy was swept away from the arms of his mother, who was rescued.

—Associated Press

ISRAEL

Split by Arab Parties Could Aid Netanyahu

A bloc of Arab parties has split ahead of Israel's fifth elections in less than four years, a move that could dilute the mi-

nority's political influence and aid former Prime Minister Benjamin Netanyahu's return to power.

The Arab nationalist Balad party will run separately from the other two parties in the Joint List in the November vote. If it doesn't meet the minimum threshold, Balad wouldn't enter the next parliament and its votes would essentially be wasted. The disunity could also dampen overall turnout among Israel's Arab minority, which accounts for 20% of the population. That would further aid Mr. Netanyahu, who aims to form a coalition that includes Jewish ultra-nationalists.

—Associated Press

IRAN

Woman Arrested by 'Morality Police' Dies

Iran's president has ordered a probe in the case of a young woman who slipped into a coma while in custody in Tehran and died, state media reported on Friday. The police have said she suffered a heart attack.

According to the state-run IRNA news agency, President Ebrahim Raisi asked Interior Minister Ahmad Vahidi to "investigate the cause of the incident with urgency and special attention."

According to reports on social media, Mahsa Amini, 22, was detained earlier this week by the so-called "morality police" after officers apparently found fault

with her head scarf, or hijab.

The head scarf has been compulsory for women in Iran since after the 1979 Islamic Revolution and members of the morality police enforce the strict dress code.

Police said on Thursday that Ms. Amini, who was arrested on Tuesday, was taken to a hospital after she allegedly had a heart attack while in custody. Pro-reform news websites quoted an uncle of Ms. Amini as saying she had no history of heart disease.

On Friday, police said there was no violence toward or physical contact between officers and Ms. Amini while she was in custody.

—Associated Press

EL SALVADOR

President Bukele Will Seek New Term

President Nayib Bukele announced Thursday night on El Salvador's Independence Day that he will seek re-election to a second five-year term.

Mr. Bukele's anticipated announcement came one year after the new justices of the Constitutional Chamber of the Supreme Court appointed by his allies in the Legislative Assembly ordered the Supreme Electoral Court to allow consecutive re-election despite the country's constitutional ban.

Constitutional lawyers have said re-election violates at least four articles of the constitution.

—Associated Press

In Memoriam

For more information:
[wsj.com/inmemoriam](https://www.wsj.com/inmemoriam)

Thomas A. Saunders III
September 9, 2022



PALM BEACH, FLA. - Thomas Alonza Saunders III, 86, died peacefully in his home in Palm Beach on September 9th. Tom was a Wall Street innovator, nationally recognized conservative leader, philanthropist, husband, father, grandfather, Virginian and proud American patriot.

He was born on June 1, 1936 in Ivor, VA, a tiny town of 300 people in southeastern Virginia, to Thomas A. Saunders, Jr. and Ruth Lee Claud Saunders. Tom graduated from Maury High School and Virginia Military Institute, where he was a maverick from the get-go. Brother Rats can attest to the record number of penalty tours Tom walked for the high-spirited and clever pranks he pulled in college. VMI instilled in Tom a deep sense of honor, duty, and discipline. Each day he passed the words of Stonewall Jackson etched in stone, "You may be whatever you resolve to be." Tom had more resolve than most, and what he became was extraordinary.

After Tom graduated with his Bachelor of Science in electrical engineering from VMI in 1958, he served in the United States Army and then started his professional career in Allis-Chalmers' Space and Defense Sciences department selling fuel cells to NASA's Apollo program and the Air Force's manned orbital laboratory. A scholarship to business school changed the course of his life, and after receiving an MBA from the University of Virginia in 1967, the young man with the thick tidewater accent moved to New York and started work at Morgan Stanley. By 1971, as a statistician, he was entrusted with keeping the records of Morgan Stanley, a firm so young, Tom kept track of its \$8 million capital position on a yellow legal pad.

By 1974, Tom had become a Partner and Managing Director of Morgan Stanley during a golden era on the Street. He was a leader whose legacy and innovation are still evident in today's equity markets. As head of Morgan Stanley's Syndicate Desk for over ten years, he ran the biggest equity financings of the day for clients like AT&T, GE, IBM, DuPont, Exxon, General Motors, and Apple. Tom pioneered techniques still in use, like applying the

Green Shoe provision to big IPOs to meet high demand without putting additional capital at risk. He was equally innovative in his use of the Rule 415 shelf registration to streamline offerings. Tom was the first to use simultaneous offerings which permitted concurrent investment participation in the world's biggest stock exchanges. Following the breakup of the Bell System in 1982, Tom led the advisory team that determined how AT&T spun off its local telephone services into the seven regional bell operating companies. He also led the privatizations of British Telecommunications and British Petroleum for the Thatcher Government in 1983, and in 1985, he played a key role in the US Government's privatization of Conrail.

Tom's colleagues and friends loved his good humor and southern charm and knew him as a genius parallel processor with iron will and unmatched work ethic and discipline. Capitalizing on years of deep relationships with pension, corporate and sovereign wealth funds, Tom served as Chairman and raised Morgan Stanley's \$2.2 billion leveraged buyout fund. Tom later started his own successful private equity business, Saunders Karp & Meguire, which invested in some of the nation's most successful companies including Dollar Tree Inc., where he served as Lead Director and on the Board for nearly three decades. For the past twenty years, he has been CEO of Ivor & Co., LLC, a private family investment firm.

Tom felt enormous pride in the resolve of his ancestors, those original risk-taking settlers who ventured to carve out the Virginia Colony and laid down the predicate for a subsequent generation of Founders who gave this nation the liberties and freedoms enshrined in the Constitution. Tom made the most of his place on the continuum of the "American Experiment" and was committed to protecting what his forebearers built—the greatest nation on earth.

In 2008, President George W. Bush named Tom and Jordan the first joint-recipients of the National Humanities Medal for their extensive non-profit service and philanthropy in the realms of public policy, higher education, historic preservation, and the arts.

He served as Chairman of the Heritage Foundation, the country's leading conservative think tank, and in 2018 he was awarded the institution's highest honor, the Clare Boothe Luce Award. During his Chairmanship, Tom was instrumental in the formation of the conservative policy advocacy group, Heritage Action for America. Tom served on the Board and endowed a chair at the Marine Corps University Foundation. He was named the 2008 recipient of its Major General John H. Russell Leadership Award.

Tom made transformative contributions to the University of Virginia across the College of Arts and Sciences, Darden Business School, Nursing School, and Jefferson Scholars. Tom served as Chairman of Darden and donated the lead gift for Saunders Hall, the main building of Darden's grounds. While serving on the University's Board of Visitors, Tom

spearheaded the effort to move the management of the University's endowment away from the Commonwealth of Virginia's political appointees and funding restrictions by creating and serving as board member of the independent, self-appointed University of Virginia Investment Management Company (UVMCO). Tom's push for "privatization" was hugely unpopular at the time, but ultimately his gift for persuasiveness prevailed.

He also served as Chairman of the Thomas Jefferson Foundation (Monticello). In 2004, Tom's speedy negotiation and equity facilitated the purchase of Montalto, the mountain adjacent to Monticello, and permanently spared this important vista from future development. Tom was a founding donor in the effort to preserve and digitize the retirement papers of Thomas Jefferson, and he gave the Saunders Bridge and Saunders-Monticello Trail which are broadly enjoyed by the community. He served on many boards including as Vice Chairman of Cold Spring Harbor Laboratory, Chairman of the Cathedral of St. John the Divine and Board Member of the New-York Historical Society, where he and David McCullough were co-recipients of the 2007 History-Makers Award. Tom was a member of the National Gallery of Art Trustees Council and had an abiding passion for art and keen eye for collecting. He has loaned The Saunders Collection, an exceptional group of European Old Master paintings to museums around the world including: The Prado, Mauritshuis in the Hague, The National Gallery of Ireland, Musée Jacquemart Andre in Paris, The National Gallery of Art, Los Angeles County Museum of Art and Museum of Fine Arts in Boston. Many of the works are currently on long-term loan at The Virginia Museum of Fine Arts.

Tom's curiosity was insatiable. From the infinite cosmos to the infinitesimal double helix to bird and plant species, he loved learning about everything. Whether he was talking to Margaret Thatcher or a stranger on the street, Tom had a gift of connecting with people. He was a Renaissance man—a passionate runner, tennis player at the Rockaway Hunt Club, world traveler, art collector, self-taught ornithologist, and a witty and clever dinner companion. Life with Tom was never dull. He was devoted to and fiercely loved his family. He is survived by his perfect life partner and wife of 61 years, Jordan Saunders of Palm Beach, his daughter Mariah Calvert Claud Saunders Moore and son-in-law George Branniff Moore of New York and their three children: Rebecca Carter Saunders Moore, George Saunders Van Rensselaer Moore and Mary Jordan Schuyler Moore, and he is also survived by his son Thomas A. Saunders IV and grandson Thomas A. Saunders V of Los Angeles.

Tom Saunders stayed in the harness until the last row was ploughed. He lived fully and well. He kept us laughing. His integrity, tenacity, generosity, and his Virginian charm will echo for generations in the memories of all who loved him. Godspeed Tom Saunders.

THE WALL STREET JOURNAL.

IN MEMORIAM

EVERY WEDNESDAY AND SATURDAY

To learn more, visit [WSJ.com/InMemoriam](https://www.wsj.com/InMemoriam)

© 2022 Dow Jones & Company, Inc. All Rights Reserved.

D | DOW JONES

FROM PAGE ONE

Crime Jolts New Orleans

Continued from Page One
according to a Wall Street Journal analysis of the organization's data, collected from most of the nation's largest law-enforcement departments. The homicide rate was 11.5 in Chicago, 4.8 in Los Angeles and 2.4 per 100,000 in New York City for the same period.

This year to date, the New Orleans homicide rate is up 141% compared with the same period in 2019, according to the Metropolitan Crime Commission Inc., a nonprofit that works to reduce crime in the city. Shootings are up 100%, carjackings 210% and armed robberies up 25%. The homicide rate is on pace to surpass last year's rate, which was the worst since Hurricane Katrina in 2005.

Criminologists and law-enforcement officers have cited several potential factors in the rise in violent crime across the U.S., including stress from the pandemic, police pullbacks after racial-justice protests and a proliferation of guns.

In New Orleans, city officials and residents point to an overwhelmed police department as a major factor. The city has about 50% to 60% of the officers it needs to offer adequate protection for residents, estimated Ronal Serpas, who was the city's police superintendent from 2010 to 2014 and is now a criminal justice professor at Loyola University New Orleans.

"We're in a crisis of crime and a crisis of confidence in this city," he said.

Stretched thin

Police officers and political leaders, including Democratic Mayor LaToya Cantrell, say the department has been hobbled in part by fallout from a decade-old agreement between the federal government and the city to address corruption and other issues, which they say has resulted in crackdowns on officers for minor infractions. Police officers are leaving the force more quickly than the city can replace them, making it easier for criminals in the city.

"The criminals are more bolder and more brazen," said New Orleans Police Superintendent Shaun Ferguson. "They do not believe they will face any consequences for their actions."

The police department is stretched so thin that the average 911 response time is 2½ hours, according to a recent report by an analytics firm presented to city council. The department says the time is much shorter for very serious emergency calls.

The city's inability to address the crime wave is sowing divisions among civic, business and community leaders and motivating some business owners and residents to leave—a spiral that worsens the problem.

New Orleans has in many ways been struggling to recover since Hurricane Katrina devastated the city. The U.S. Census Bureau estimated the city's current population at 377,000, down 24% from 2005 and about 1.8% from 2020.



New Orleans police officers at a carjacking scene that resulted in a woman's death in March, top. Above, Ibrahim Rabee no longer feels safe at his auto shop. Left, New Orleans Mayor LaToya Cantrell.



Casey, 38 years old. The police arrived relatively quickly, he said, but when Mr. Casey pointed out the attacker, they wouldn't go after him. An officer advised the victim to buy a gun, Mr. Casey said.

Afterward, Mr. Casey decided to close his shop in New Orleans, leaving him with one location in the suburbs. "I can't put a 16-year-old kid at the register and he's going to get two in the head," Mr. Casey said.

Scott Fanning, 23, made local headlines when he quit the city's police department a few hours into his shift in July out of frustration with the staffing shortage.

"It's dangerous stuff every single day," said Mr. Fanning, who moved to Covington, La., to work as a handyman. "I just had to get out of that before something happened."

James Martin, 48, left the department last fall after witnessing extensive looting on his patrols following 2021's Hurricane Ida. The stress became too much, he said. He now works as an artist. "It's a numbers game and we don't have enough," he said.

A chief complaint among police officers, echoed by the mayor, has been a 2012 agreement between the city and the federal government to overhaul the department. The agree-

ment, known as a consent decree, was implemented after then-Mayor Mitch Landrieu asked the Justice Department to investigate the New Orleans police in 2010. It gave a federal judge authority to oversee police reforms to correct issues of corruption, inequity, abuse of power and other problems that had plagued the department for years.

The decree was supposed to last six years, but was extended because the court hasn't yet declared that the problems have been resolved. Mayor Cantrell has called for the decree to end, arguing that it has led to officers being punished repeatedly for minor infractions.

Mr. Martin, who left the force last fall, said that officers particularly dislike being written up by an internal unit given powers under the consent decree for infractions such as dress code violations that can take months to investigate.

The consent decree has hampered the retention and recruitment of officers, said Superintendent Ferguson. "We are in dire need of having more officers," he said. "There is no quick fix."

The budget for the city's police department total expenditures this year is \$215 million, up from \$178 million in 2021.

That's about \$570 per resident. New York is spending about \$653 on policing per resident this fiscal year.

Some in the city have faulted Mayor Cantrell, who was re-elected last year, for not responding to crime quickly enough and for not doing enough to support police.

Ms. Cantrell said that she has been focusing on the problem for a while, and that public anger over crime was pushing officials to focus on the problem. "A pivot is near and here," she said. She urged more cooperation from city council members and other officials in rebuilding the police department and reducing crime.

Jason Williams, the local district attorney, said he has been pursuing more prosecutions while also trying to revamp the justice system, but disruptions caused by pandemic closures have made it difficult.

"This is a group lift," he said. "There is no agency with a gun with a silver bullet in it."

In July, a group of more than 100 area businesses, nonprofits, church groups and the local NAACP said they were frustrated by city leaders' inability to reduce crime and pledged \$15 million over the next three years to tackle crime and promote youth services.

Tourist impact

New Orleans remains one of the country's top tourist destinations, but many worry that growing violent crime could change that. Tourism is an economic linchpin that has rebounded since Covid-19 lockdowns but is still behind prepandemic levels. Visitor spending in New Orleans reached an all-time high of \$5.2 billion in 2019, according to the Louisiana Department of Culture, Recreation and Tourism. It fell to \$2.6 billion in 2020, and recovered last year to \$3.8 billion.

Ranelle Leitch, 64, has been coming to New Orleans from her home in Hunt, Texas, a few times a year for decades to enjoy the city's restaurants with her husband, a retired dentist. For one favorite restaurant, they used to take the St. Charles streetcar back to the French Quarter after dinner.

Then a waiter warned them to take a car instead. They now rarely leave their hotel when it's dark. "At nighttime, we don't roam the streets," she said.

The police department has been considering new policies to address the loss of officers, such as proposing the transfer of some calls, such as non-emergency calls and mental-health emergencies, to other city departments. It has extended shifts from eight to 12 hours. The department is also working to ease the ability of officers from elsewhere in Louisiana to take jobs in New Orleans.

The nonprofit New Orleans Police & Justice Foundation, which raises funds to aid police in the city, recently hired two police consultants from New York to assess the situation. A preliminary report from their assessment included a suggestion to immediately transfer 212 officers assigned to special operations, investigations and other units to uniformed patrols to get more police on the streets.

"Action must be taken NOW if there is ever a chance to save the city and bring the reputation of being a city where tourists can come to party and celebrate and not become victims," the report stated. Elizabeth Boh, the foundation's chairwoman, said city leaders are pushing for major changes in coming weeks and months.

Nhu Vu, 40, a cashier at the Viet My Supermarket in the residential neighborhood of New Orleans East, is making plans to move from the New Orleans area with her children.

'We're in a crisis of crime and a crisis of confidence in this city.'

she said. In May, a daytime shooting down the street from the store left two people dead and four wounded. Recently an angry homeless man threw a beer can at her. She called police. An officer showed up the next day, she said.

"The only way you can really get police to come is if you say you are shot and bleeding," she said.

A pharmacist nearby, who has been at his location for more than 30 years, said burglars smashed through a brick wall to get into his store and soon after tried again. He has installed bars on his windows, security cameras and a magnetic lock on his front door. He keeps several guns near him when he works, including an AR-9 semiautomatic. He often has a Glock handgun under his shirt. "I pray every day that I put it on that I don't have to use it," he said.

At Mr. Rabee's auto shop, Conway Herzog, who works for an automotive oil supplier, stopped by recently to check on orders. The only time he carries a gun is when he comes to this part of New Orleans, he said. He's seen two shootings in the area in broad daylight, he said.

Mr. Herzog said he just moved to Mississippi after living in New Orleans for more than 50 years—mainly to escape crime.

"Man, am I glad to get out of here," he said. "I don't see it getting any better."

Airbnbs Pile On Chores

Continued from Page One
times, absurd—chores set out by some Airbnb hosts. Hosts say they need guests to do more as Covid-19 has changed sanitation expectations and inflation has boosted the cost of cleaners.

Airbnbs have been in high demand so hosts are getting away with charging higher nightly rates and tacking on bigger cleaning fees. Guests have been striking back on social media, complaining about being asked to mow the lawn or feed farm animals.

Many travelers spent part of their summer breaks deep cleaning vacation rentals to avoid extra charges and bad reviews. Some are switching back to hotels to avoid the hassle and the clean-up fees that can be hundreds of dollars.

Melissa Muzyczka was planning a romantic getaway

at a lakeside cottage in Canada's Quebec province, but ended up booking a spa hotel after reading through the chores. The rental didn't have garbage pick-up so guests were expected to take their rubbish with them.

That's not how she wanted to spend her first vacation in two-and-a-half years.

"My husband and I would be freaking out, carrying trash and trying to locate dumpsters," said Ms. Muzyczka, a 31-year-old graphic designer.

Hilton Worldwide Holdings Inc. channeled this angst in an online ad this summer with a family entering a spooky rental with a long list scrawled on the wall: "NO WHISTLING...NO FEET ON FURNITURE...NO SANDWICHES."

"Wow, that's a lot of rules," says the renter in the commercial.

Guests say they are frustrated because the cleaning fee has gone up while hosts have tacked on extra chores. They say some hosts don't list cleaning requirements online, surprising guests after they book.

Necole Kane wasn't expecting to do a thing. Her \$299



This California Airbnb had a big list of cleaning requirements.

Airbnb in Sedona, Ariz., came with a \$375 cleaning fee. Then the host piled on a laundry list of chores.

Ms. Kane said she spent so much time running around cleaning like a maid that she was 15 minutes late for a canyon tour.

"It was too much," said the 41-year-old founder of a feminine wellness brand.

She still left a five-star review because she felt bad marking down the property. Its views of the area's famous

red rocks and the visits from wild bunnies, coyotes and javelinas made her stay "magical," she wrote on Airbnb.

Airbnb lets hosts set their cleaning fees, though the company suggests they do away with it if guests are required to run chores. "Would you like guests to load dirty dishes into the dishwasher or strip the bed linen before checkout? If so, consider charging a very minimal cleaning fee—or no fee at all," the company advised hosts late last year.

The company said around 55% of its active listings charge a cleaning fee, which on average makes up less than 10% of the total reservation cost.

Airbnb's cleaning fee across all U.S. properties averaged \$143 as of June 30, a 44% increase from five years ago, according to market-research firm AirDNA. Coastal properties with five or more bedrooms had the highest fees, charging \$420 on average.

Airbnb ratcheted up its cleaning protocols during Covid-19, with a 36-page handbook requiring that hosts wash all hard surfaces with soap and water, vacuum the floors and disinfect switches and electronics, among other things. The policy is still in effect, Airbnb said, and all hosts are required to declare that they are following them.

Hosts say that a helping hand from renters can go a long way when properties are booked back-to-back. Starting the dishwasher and laundry early means the next guests don't have to wait even if the cleaners are running late.

"Sometimes guests are asked to do two to three things and they feel like, 'Oh

my God, I'm doing everything,'" said Gabby Wallace who runs Airbnbs in Maine, Austin and Kansas City. "There are close to a hundred things I have on the checklist for my cleaners," like checking couches for lost items and picking hair out of the bathtub drain, she said.

Ms. Wallace encourages her guests to empty the trash, run the laundry and start the dishwasher, though she outlines that none of it is mandatory.

Last month, Amanda Morari spent her sister's bachelorette weekend at a lakefront cottage in Ontario province. The washer was out-of-order and the vacuum wouldn't charge so the women spent their last day "wetting paper towels and wiping the floor," she said.

The host told her not to worry about it, Ms. Morari said, but then came the unexpected: she got a three-star review because the cleaning wasn't up to the mark. Her perfect five-star rating dipped to 4.1.

She's booked her next trip with her boyfriend at a hotel.

"It's 50 bucks cheaper," she said. "And we don't have to clean anything."

OPINION

THE WEEKEND INTERVIEW with **Kenneth T. Jackson** | By Mene Ukeberuwa

Homeownership for All Is a Dying Dream

Your father was right about a few things, and one of them is the timeless value of real estate. For starters, the utility of houses as pure investments has never been more obvious. U.S. home values have risen 36% since 2020—an increase twice as large as any other two-year leap on record. At \$440,000, the median house is now worth more than half the cost of an average retirement. Time your downsizing right and security in old age is half won. Skeptics often point to the 2007 crash as a warning, but even that looks like a divot on a long, upward-sloping road. Nobody ever knows where and when the market will turn down. But where would you rather hold your life savings today: stocks or a four-bedroom ranch on Seabreeze Terrace?

The U.S. economy evolved to spread affordable homes to the masses. A Columbia historian describes how it happened, and why the trend has broken down.

The irony is that the housing market's dependability comes from a source that cold financial logic would discount. For many Americans, the desire to own the right home is almost limitless. So people often set their hearts on the house they want and then let every other financial decision fall into place around it. That helps keep prices ever rising.

Kenneth Jackson, a historian at Columbia, chronicles the side of homeownership that has little to do with personal finance and even less to do with day-to-day living. His 1985 book, "Crabgrass Frontier: The Suburbanization of the United States," describes how Americans for 200 years have sought homes as a way to satisfy their tastes and aspirations. When homes are hard to afford, millions miss out on a key marker of success.

"People talk all about the American dream," Mr. Jackson, 83, tells me. "The house really is the symbol of the dream. I do think that's true." We speak over drinks at one of his two homes, a row-house apartment on New York's Upper West Side. For generations, the U.S. economy was mechanically efficient at allowing more people into high-quality homes. Mr. Jackson

says one early breakthrough was the development of the first commuter suburbs, which offered spacious houses to buyers in the urban merchant class.

He identifies Brooklyn Heights as the oldest true commuter town. Starting in 1814, daily steamboat service to Manhattan let thousands of people plant themselves outside the city. "The daily part of it is key," he says, describing how novel it was to travel miles between home and work each morning and night. "Sleepy suburbs like Brooklyn were a kind of respite from the city, which was more than overcrowded by that time." Trips to and from work weren't seen as a hassle. For early commuters, the daily change of scenery was a dream come true.

The ferries were followed by waves of more-efficient transportation methods that allowed suburbs to expand rapidly. "The story is mostly technological," Mr. Jackson says. Largely forgotten innovations, such as rail-guided horse cars in the 1850s, let speculators quickly develop homes in areas that would have been impractical before. "The upper classes were first to the suburbs, and the working classes were last," he says. But both groups tended to buy homes in freshly built neighborhoods as they went.

America became a truly suburban nation, and a majority-homeowning one, after federal highways and affordable cars carried most of the middle class outside of city boundaries. "Land was cheap, and access to it was cheap too because we had the best transportation system in the world," Mr. Jackson says of the period after World War II. "And it was a huge decision to fund the roads that did it with general taxes, instead of user fees." From 1940 to 1960 the share of households owning their own homes rose from 44% to 62%, and it's remained in the 60s ever since.

Government played a supporting role in the home-buying rush, first getting involved during the Great Depression. Federal agencies offered loans to more than 1 in 10 home buyers between 1932 and 1935, an effort that spanned the presidencies of Herbert Hoover and Franklin D. Roosevelt. Like much of the New Deal, the policy was meant in part to relieve anti-capitalist pressure that built up during the Depression years. "You can't be a communist and a homeowner," as Mr. Jackson puts it. "It's like you're too busy to go have a demonstration."

Washington's loan specifications helped standardize the low-



BARBARA KELLEY

interest 30-year mortgage, which laid out a welcome mat for millions of new buyers. With the market growing steadily, it also encouraged those buyers to dream big. "All of a sudden you can stretch for this house because the value will rise as you pay, and the amount that you're paying will become a better deal," Mr. Jackson says. The economy boomed after the war, affordable loans were there for the taking, and suburbs multiplied. In many cities all but the poorest residents decamped for spacious homes at the first opportunity.

Mr. Jackson, who is white, notes that this buying spree was often closed off to blacks. "When they were selling those Levittown housing units, they were certainly anti-black," he says, describing the iconic postwar suburb on Long Island. "Crabgrass Frontier" contains an extensive history of redlining: the practice of denying loans to borrowers or areas marked as undesirable, especially on a racial basis. Mr. Jackson believes he helped make redlining a household term: "That research on discrimination wasn't derivative—that was me. So it popularized it in a way."

He's skeptical of the notion that race was decisive in whites' departure from cities—the phenomenon known as white flight. "You'd have to be blind to think it's not a factor," he says. "But I think really Seattle and Portland and Minneapolis are not that different from Birmingham and Memphis. In other words, the same suburbanization took place even though the black populations are much, much smaller in those places. So race can't be the only explanation for this."

In either case, the black home-

ownership rate eventually rose steeply and now stands at 45%, owing in part to a shift toward the suburbs that continues today. Immigrants to the U.S. of all races also trail native-born whites in homeownership, though the gap has shrunk markedly. The dream of a single-family home seems to cross ethnic, cultural and class lines as much as any preference in 21st-century America.

That's why it's alarming that the dream is fading for many Americans. Home prices have more than recovered since the last crash, but the homeownership rate hasn't, which supports the idea that more people than usual are being locked out by the cost. "There's still plenty of people knocking on the door who would love to get in," Mr. Jackson says. The broad price increases have widened the wealth gap between those who have already bought homes and others who hope to buy.

One irony is the impact that the Covid-19 pandemic has had on the market. Mr. Jackson argues that in theory working from home could have helped expand affordability—letting people live further from pricey city centers the same way horse cars, highways and other technologies did for past generations. Yet movers have congregated in the same formerly lower-cost areas, quickly driving up prices in places like Tampa, Fla., and Boise, Idaho.

"We still need to see others face-to-face," he says, pondering why few people are willing to move somewhere truly off the grid. "Even though there are times that nobody wants to go to the train, or get out of bed, there's something about a Zoom conference that

doesn't quite get it." Spending more time at home has also increased buyers' willingness to pay for more space, driving prices higher still.

Mr. Jackson has moved in the opposite direction from the long suburban trend he describes. He grew up in midsize Memphis, Tenn., at the same time the post-war economy was producing a boom of new suburbs across the previously rural South. But he joined Columbia's faculty in 1968 and has never left New York, if you count his other home, in Westchester County. His works include the celebrated 1,584-page Encyclopedia of New York City. His Tennessee accent is audible as he describes a widespread dream of escaping the big city that he doesn't happen to share. "I can see the advantage of the suburbs," he says. "Some people may love to cut grass, but I'm not one of them."

He thinks cities and towns can change their policies to help people who are priced out of tight markets. "Economics 101 would say the prices are too high, so raise the damn supply. But what we do is we build up barriers. Zoning usually is how it's done." Most buyers will always pursue the same appealing areas, so "we've got to lower the real price of housing" by making it easier for developers to build more homes there.

Yet he also points out that previous generations found ways to buy even while markets were restrictive. The last chapter of "Crabgrass Frontier" describes the rise of affordable "exurbs," far from established cities and suburbs, as mortgage interest rates soared in the early 1980s. Urban reclamation increased in the same period, as middle-class buyers returned to downtrodden neighborhoods like Brooklyn's Red Hook.

"I think part of the richness of America is that everybody doesn't have to make the same choice," he says. Once it became necessary to seek cheaper locales, those places soon became popular and even fashionable.

In the short term, homeowners and prospective buyers alike will keep eyeing the market, wondering if a big correction is on the way. If it comes, history suggests that it'll be brief. "The big rule since World War II has been that houses are going to appreciate," Mr. Jackson says. Whether prices stay high or dip then rebound, Americans seeking the perfect home for cheap are going to have to keep dreaming.

Mr. Ukeberuwa is a member of the Journal's editorial board.

Private-Sector Unions Try to Strip Public Employees of Their Rights



CROSS COUNTRY
By **Nathan McGrath**

Membership in public-sector unions has grown in recent years even as private-union membership has remained largely static. According to 2021 data from the Bureau of Labor Statistics, the rate of public-sector unionization is about five times as high as in the private sector. Union advocates see unionization in government as the path to growth. To add to their ranks, unions that have traditionally represented workers in the private economy have started recruiting public employees as members.

Recently passed laws in Colorado, Virginia and Nevada have created more opportunities for unions to force public employees into their ranks. But public employees have constitutional protections, meaning that their union's actions must comply with the First Amendment. Four years ago, the Supreme Court affirmed these rights in *Janus v. Afsme*, which prohibited unions from forcing nonmember public employees to pay them.

A court ruling is one thing; enforcing it is another. I've represented union members fighting to defend their rights against some of the largest public-sector unions in the country. Now I'm seeing a new trend: union officials in historically private unions across the Northeast outright denying that *Janus* applies to the public employees they represent.

For public employees represented by traditionally private-sector unions, understanding what rules and protections their unions should follow is trickier than ever. This is especially true when their own unions don't seem to know the rules, leaving employees on the margins particularly vulnerable.

Tina Curtis, a lead cook in the New Haven, Conn., school system, was a member of Unite Here, a tradi-

tionally private-sector union that also represents some public employees. After *Janus*, Unite Here representatives gave Ms. Curtis and her public-employee colleagues union cards that said they were "required, as a condition of employment, to pay dues and/or fees to the Union." While perhaps legal for Unite Here's private-sector bargaining units in Connecticut, *Janus* prohibited such a requirement for public employees like Ms. Curtis.

Once she discovered her rights, Ms. Curtis filed a lawsuit to assert them. Though Unite Here had even enshrined its unconstitutional requirement in Ms. Curtis's contract, the union backed down when challenged in court. Ms. Curtis won a settlement that voided the union cards, refunded her dues and stripped the language that violated *Janus* out of the contract covering her and her colleagues.

In New York, Long Island Rail Road employee Ray Michielini encountered antiquated union policies

bordering on absurdity. His union was operating under a collective-bargaining agreement dating from 1952, which required all employees to be full union members of the International Brotherhood of Electrical Workers, or IBEW. Though the

***Janus v. Afsme* protects government workers from mandatory participation in any labor organization.**

union largely represents private employees, the railroad is a public employer under state law—so its employees have First Amendment protections.

Mr. Michielini claims that when he submitted his union resignation, IBEW officials retaliated by blocking him from working overtime. He had to file a federal lawsuit asserting his

constitutional rights to force the union into a settlement that paid him back for his lost wages and guaranteed that the union and his employer wouldn't engage in future retaliation.

Then there's the case of the principal timpanist in the Allentown Symphony Orchestra. Glen Wilkofsky won his spot in the Pennsylvania orchestra and joined the American Federation of Musicians more than 20 years ago. In a complaint filed in U.S. District Court for the Eastern District of Pennsylvania, Mr. Wilkofsky claims that when he chose to leave the union in 2020, officials cited a contract that required him to make dues payments to the union. Mr. Wilkofsky says the union suspended him and threatened to have him fired.

In court filings following Mr. Wilkofsky's lawsuit, union and symphony officials acknowledged that the union was certified under Pennsylvania's public-employee statute.

In fact, state law defines the symphony as a "public employer" and Mr. Wilkofsky as a "public employee." The symphony and union dispute that this entitles Mr. Wilkofsky to *Janus* rights. If his litigation succeeds, Mr. Wilkofsky could make *Janus* rights accessible to his fellow symphony musicians.

When traditionally private unions take on representation of public employees, they need to know the rules are different. The Constitution has something to say about the rights of public employees even in non-right-to-work states. Four years after *Janus*, litigation is teaching traditionally private-sector union officials that they can't ignore the Supreme Court and deny public employees their First Amendment rights.

Mr. McGrath is president and general counsel for the Fairness Center, which represents Ms. Curtis and Messrs. Michielini and Wilkofsky.

Reading Aloud Can Remedy Covid Learning Loss

By **Meghan Cox Gurdon**

How can teachers help children recover from the pandemic learning loss? A Harvard education professor recently told the Journal that schools are "sort of winging it" and "hoping that it all adds up to enough."

There is a proven way to help, however, and it doesn't cost a dime. Educators can give students an immediate boost by reading out loud—not only to young children but to all of them.

Reading aloud is perhaps the most efficient and effective way to promote cognitive development, while also imparting a host of social, emotional and cultural benefits. Young children who have had lots of stories read to them enter kindergarten as much as 14 months ahead in language and pre-reading

skills. While listening to stories, children drink in more sophisticated vocabulary than they are likely to hear elsewhere, while also picking up grammar, syntax and general knowledge. The more that children under 5 are read to, the richer and deeper their language capacities become, with good effects later in English, math and other subjects.

It used to be thought that the practice primarily helps the very young, with little benefit for older children who lacked such early nurturing. A 2019 study led by Jo Westbrook at the University of Sussex, however, shows that being read to helps into adolescence. For the study, 20 English teachers at 10 schools, all with classes of poor-to-average students 12 or 13 years old, chucked out their regular lesson plans for three months. Instead of

making the kids labor over short passages of text, the teachers read them novels such as John Boyne's "The Boy in the Striped Pajamas" at a tempo intended for enjoyment rather than didacticism.

The results were astounding. Morale and test results soared. Children who had hated English lessons, who had experienced literature as daunting and indigestible, were practically running into the classroom to find out what was going to happen next in the stories. Seventeen of the educators used the word "joy" to describe their own experiences of this unorthodox teaching method. When the children were given reading-comprehension tests afterward, average readers had made 8.5 months of progress while poorer students had made 16 months of progress. As the study authors observed: "Simply reading

challenging, complex novels aloud and at a fast pace in each lesson repositioned 'poorer readers' as 'good' readers, giving them a more engaged uninterrupted reading experience over a sustained period."

The simple, inexpensive expedient of a teacher reading aloud a few times a week produced students who were happier, more motivated and more capable academically.

This is wonderful. It means that it isn't too late for children who have slid or stalled academically. It means that schools groping for some way to recover from the catastrophe of prolonged closures have a tool easy to wield and ready to hand. They should use it.

Mrs. Gurdon is author of "The Enchanted Hour: The Miraculous Power of Reading Aloud in the Age of Distraction."

OPINION

REVIEW & OUTLOOK

A Sanctuary City Spectacle

It's hard to imagine a bigger spectacle of American political failure than this week's histrionics over migrants. GOP Governors used political stunts to draw attention to the burden of handling runaway migration at the border, while Democrats pretended to be horrified and change the subject from their own border failures. Migrants have become political props for both parties.

Texas Gov. Greg Abbott and Arizona Gov. Doug Ducey have been sending migrants to Democratic cities since May to make a political point about their struggles with unchecked migration. This week Florida Gov. Ron DeSantis escalated, as is his fashion, by flying about 50 Venezuelans to Martha's Vineyard off the Massachusetts coast. Mr. Abbott then bused 100 foreign nationals to Vice President Kamala Harris's residence in Washington.

President Barack Obama has a home on Martha's Vineyard, while Ms. Harris said as recently as Sunday that the border is "secure" when everyone knows it isn't. The GOP point was to make the political personal. The gambits are an attempt to get media attention to showcase the hypocrisy of Democrats who run "sanctuary cities" without bearing the costs of migration, and the Governors have certainly done that.

New York Mayor Eric Adams, who presides over eight million residents, said Wednesday that his city is "nearing its breaking point" after receiving about 10,000 migrants since May. Illinois Gov. J.B. Pritzker declared a state of emergency Wednesday and authorized National Guard troops to help out after a mere 500 migrants made it to Chicago. Washington, D.C., Mayor Muriel Bowser has also declared an emergency.

Contrast those numbers with the more than 250,000 migrants who have arrived this year around Yuma, Ariz.—a city of about 100,000. Migrant apprehensions at the border are already at 1.9 million this fiscal year and will probably hit a record this month. These migrants descend on border states first, and cities like Del Rio, Uvalde and El Paso bear too much of the burden.

Members of the Biden Administration, including Ms. Harris and Secretary of Homeland Security Alejandro Mayorkas, have ignored this surge and declared the border closed. They claim little more can be done until Congress enacts immigration reform, which they are doing nothing to help pass.

Kenneth Winston Starr

Ken Starr, the independent counsel in the 1990s who investigated President Clinton, died this week in Houston at age 76, and the history to understand is that what Democrats blame him for was ultimately Mr. Clinton's doing. Starr was a formidable lawyer: an appellate judge, a U.S. Solicitor General, a credible contender for a Supreme Court seat.

In 1994 he accepted the no-win job of independent counsel on the Whitewater investigation into the Clintons' real-estate dealings. The same year, Paula Jones sued Mr. Clinton for sexual harassment. Eventually a judicial panel and Attorney General Janet Reno agreed to expand Starr's remit. "I was assigned to do a job by the attorney general," he said in 1998, "and that was to find out whether crimes were committed in this sexual harassment lawsuit."

Democrats castigated Starr when his report revealed the tawdry details of Mr. Clinton's tryst with Monica Lewinsky. Liberals are still upset and this week are even blaming Starr for somehow giving us Donald Trump. But those details

Firing Back at Jim Crow

Search on Google for "white supremacy" and "gun rights" and you'll see plenty of articles claiming the Second Amendment is a tool for white America. But a new paper from Clemson University economists Michael Makowsky and Patrick Warren finds the opposite is true. They say gun ownership helped black Americans defend themselves when no one else would.

The key finding of "Firearms and Lynching" is clear: "Rates of Black lynching decreased with greater Black firearm access" in the Jim Crow South.

In other words, when black Americans couldn't count on the cops to protect them, guns made a difference. A few years ago, former Secretary of State Condoleezza Rice spoke to this on ABC's "The View." She related a personal anecdote from her childhood in Birmingham, Ala., to explain her appreciation for the Second Amendment.

"There was no way that Bull Connor and the Birmingham Police were going to protect you," she said. "And so when White Knight Riders would come through our neighborhood my father and his friends would take their guns and they'd go to the head of the neighborhood, it's a little cul-de-sac, and they would fire in the air, if anybody came through.

"I don't think they actually ever hit anybody. But they protected the neighborhood. And I'm sure if Bull Connor had known where those guns

Meanwhile, the border is essentially open, which is an invitation to more migrants to make the trek. The omnibus spending bill that President Biden signed in March granted Customs and Border Protection 3% less than in the previous year, despite boosting overall spending by 7%. Border Patrol officers say they are short-

Migrants are props for both parties amid U.S. immigration failure.

handed and often vilified. That didn't stop President Biden from telling the Congressional Hispanic Caucus on Thursday that the GOP migrant transfers are "simply wrong," "un-American" and "reckless." Chicago Mayor Lori Lightfoot said last week that Mr. Abbott's busing policy should put his Christian faith in doubt, and California Gov. Gavin Newsom wants Gov. DeSantis investigated for kidnapping.

This political moralizing is easier than actually doing something about the border. And, by the way, the federal government is also sending buses with migrants to northern cities, as New York's Mayor Adams has acknowledged. Many migrants have relatives in these cities and want to go there.

* * *

All of this underscores the bipartisan failure that is U.S. immigration policy. The U.S. needs willing workers and some of the migrants are genuinely fleeing persecution. But the porous U.S. asylum policy lets too many economic migrants enter the country and claim asylum, and so they continue to come by the hundreds of thousands from around the world.

President Biden has sent every signal that they should keep coming. In his first week in office he revoked President Trump's Remain in Mexico policy, which had allowed migrants to be removed from the U.S. temporarily. This April he moved to end a policy known as Title 42, a pandemic-emergency power that also allowed more migrant expulsions (and remains in place for now under court order).

A functioning political system would find some way to reform asylum rules, buttress border security, and allow more pathways for legal immigration so workers could go back and forth as the economy requires.

But that would take presidential leadership that Mr. Biden won't provide. Given his own presidential ambitions, Mr. DeSantis would also be wise to offer better solutions than dropping migrants on Barack Obama's vacation island. But this is America in 2022, where political performance art rules the day.

wouldn't have become public if Mr. Clinton hadn't lied under oath. "I deeply regret that I took on the Lewinsky phase of the investigation," Starr wrote in his memoir. "But at the same time, as I still see it 20 years later, there was no practical alternative to my doing so." Perjury is serious, and President Clinton was impeached. His law license was

Blame Bill Clinton for wrongdoing, not the man who investigated it.

suspended for five years. Starr's critics also forget the work he did as independent counsel in putting to rest the conspiracy theories on the right about Vincent Foster. A White House aide for Mr. Clinton, Foster was found dead of a gunshot wound in a Virginia park. The QAnons of the era argued that the Clintons probably had something nefarious to do with it. Starr helped debunk that theory with an investigation concluding that Foster had killed himself.

Ken Starr later served as a dean of the law school at Pepperdine and then President of Baylor University. But his mark on history was in the 1990s, and the first draft ought to put the wrongdoing where it belongs, on Mr. Clinton, and not the man who investigated it.

were he would have rounded them up."

The study confirms Ms. Rice's point. Messrs. Makowsky and Warren take the data about lynching, and they use the percentage of gun-related suicides as a proxy for firearm access. One key point is that there was a determined effort by the Jim Crow South to disarm black Americans. The authors note that while the laws such as pistol bans may not have explicitly targeted blacks, that was the clear intent—and it was carried out by selective enforcement.

Unarmed people are vulnerable. But if someone can shoot back, even a bigoted mob is going to think twice. More black Americans today are absorbing this lesson about self-defense if their gun purchases are any indication. Overall gun sales are way up in the U.S., but a National Shooting Sports Foundation survey for the first six months of 2020 reports sales to black Americans were up 58% over a year earlier.

Second Amendment rights for black Americans were often deliberately limited by local and state governments that, the authors say, were "rarely better than indifferent to their safety and, at their worst, actively supportive of terrorist violence targeting them."

All the more reason to ensure all Americans are able to enjoy this constitutional right. When the police no longer can guarantee public safety, as we see every day in too many American cities, a gun may be the only way for people to protect themselves.

LETTERS TO THE EDITOR

Schools, Faith and a New York Culture Clash

In "What Rights Do Hasidic Schools Have?" (Politics & Ideas, Sept. 14), William Galston argues that the government's interest in producing good citizens sometimes allows it to override religious liberty. While this may be reasonable, Mr. Galston, like the New York Times article he cites, misrepresents Hasidic Jewish communities and asserts an additional illegitimate government interest.

Though the Times implied otherwise, Hasidic Jews are contributing members of society. Most are gainfully employed, albeit often in blue-collar jobs that the Times seemed to dismiss as inadequate. The social problems characteristic of areas with failing schools—crime, gangs, drugs, prostitution, broken homes, homelessness and dilapidation—are not to be found in Hasidic neighborhoods. These communities disproportionately use some antipoverty programs, but this is because eligibility requirements are based on number of children, and Hasidic families have three times as many as other Americans. Many qualify even with good jobs and income.

Finally, the small amount of money that Hasidic schools receive from the public-school system is a red herring. Hasidic Jews are net contributors to public schools through property taxes paid to support secular public schools that they cannot use.

One can argue that English is important for a good citizen. But Mr. Galston goes further, suggesting a government interest in enabling children to abandon their family's values. Yet the state has no interest in undermining parents by creating lifestyle choices for children. Repudiating such assertions will allow a more productive conversation about the government's role in education.

RABBI MITCHELL ROCKLIN
President, Jewish Coalition for
Religious Liberty
Washington

New York is right to expect that students in all schools will receive basic instruction in English, math and science so that they will be prepared to deal with issues of the day and not become burdens on society. Basic secular education doesn't violate any principles of Judaism. The Talmud even states that "the father who does not teach his son a trade has made that son into a thief." The fervently Orthodox communities that encourage men to father large families but deny boys the secular education that would enable them to support those families are doing a disservice to their students and society.

TOBY F. BLOCK
Atlanta

Mr. Galston writes, "U.S. courts have long held that state governments can require all children to attend school up to a certain age." What does "attend" actually mean? When I taught for Norfolk Public Schools, it meant to show up once every eight days to stay on the rolls.

He claims the state can "prescribe the core subjects that all children . . . are expected to study." Who is living up to what is "expected" and what satisfies the definition of "to study?" To sit in class texting friends, to cruise on the bathroom pass, to snooze off?

As a teacher, I have witnessed hundreds of parents "imprison their young by denying them the capacity to live anywhere else if they choose," but not by design, as Hasidim do. Parents in California indirectly deny their children opportunity; but in public education, we call it enabling.

Mr. Galston ends by asserting, "Members of these Jewish communities must accept the responsibilities of citizenship, which isn't a one-way street." He should come to California; it is paved with one-way streets.

JEFFREY R. SMITH
Alameda, Calif.

Student Debt and Crimes Against Bookkeeping

Regarding your editorial "CBO Rebutts the White House" (Sept. 12): The Penn Wharton Budget Model's estimated trillion-dollar price tag for President Biden's loan forgiveness is only one side of the coin. On the other side, we have students still borrowing and building another pile of distressed debt for taxpayers to bail out a few years hence.

The duplicity that the editorial calls historic could end if legislation were passed that straightforwardly entitled every high-school graduate to a free college education. Currently, only the progressive wing of the Democratic Party favors such a move. The violence being done to Bookkeeping 101 is therefore likely to continue unabated. Republicans have trouble getting a

handle on this legerdemain because they have no idea how to change student lending. One solution—admittedly imperfect, but arguably the least disruptive to loan-gorged academe—would be a reversion to the National Defense Education Act of 1958. It provided a set annual appropriation for student loans, doled out to the states, which administered the program. Only STEM and foreign-language majors were eligible to apply for these loans.

Concerns that this would be unfair to social science and humanities majors might be allayed, at least partially, by the knowledge that most of the distressed debt is associated with those majors.

GEORGE F. BOTJER
Belleair, Fla.

American History With Ranked-Choice Voting

David Von Allmen's letter (Sept. 9) defends Alaska's ranked-choice voting as an upgrade to the traditional system that often forces voters to pick the lesser of two evils. Yet would ranked-choice voting have served us well if it had been the standard throughout our history?

Abraham Lincoln won the White

House in 1860 with only 39.8% of the popular vote. Three competing candidates split the other 60.2%. Their campaign platforms ranged from "let territories' settlers decide the status of slavery" to "leave slavery alone" to "preserve and expand slavery." It is highly unlikely that Mr. Lincoln would have been the second or third choice of most voters.

Ranked-choice overcomplicates voting and results. In contested elections decided by razor-thin margins, our keep-it-simple-stupid traditional system is imperfect, but preferable.

PHILIP GRANT
Palm Coast, Fla.

They're Playing the Market

Regarding Daniel Rasmussen's review of "How to Invest" by David Rubenstein (Books, Sept. 7): Visit any large public library, head to the nonfiction section and count the multitude of books in the 332.6 category. A time-tested method of making money in financial markets is to write a book on making money in financial markets.

RUSS HENNING
McHenry, Ill.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I'm sorry the email and text didn't work. Now we have to talk."

The Inflation Contradiction

When asked if he was concerned about inflation, President Biden responded, "No, I'm not, because we're talking about one-tenth of 1%" ("Biden's Make-Believe Victory Over Inflation" by Karl Rove, op-ed, Sept. 15). If that's it, why are we wasting time and money on an Inflation Reduction Act?

KEITH PALMER
Schodack, N.Y.

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

Elizabeth II Was Queen of Our Times



DECLARATIONS
By Peggy Noonan

I want to stay on the subject of Queen Elizabeth II, the coverage of whose death has been heavy and will culminate Monday, at her funeral in Westminster Abbey. More than four billion people are expected to watch, a world record.

A friend the other night asked why she keeps watching and why her eyes fill with mysterious tears. She is an American, a New Yorker who's never met the queen. I didn't have an answer but my mind immediately went to the book on the coffin and the pages turning.

The death of a figure like her moves us because it reminds us of our connection with history.

It was April 8, 2005, the funeral of Pope John Paul II. The Vatican had been taken aback by the public response. He'd been pontiff 27 years and sick at least the last five. The Vatican thought he was old news. Yet Rome was engulfed by millions of people when news of his death came. They slept in the streets. They took up the chant that had spread: *Santo subito*—"make him a saint." Which, nine years later, they did.

They carried his plain cypress coffin down the steps of St. Peter's Basilica for the crowds to see, and placed it in St. Peter's Square for the funeral

Mass. On the coffin they placed a big ceremonial Book of the Gospels, open at the middle. As the funeral progressed a brisk breeze came up, and the breeze lifted the big pages, and they turned, one after another, as if by an invisible hand. At some point during the Mass the wind blew the book closed and moved it slightly, but the book stayed on the coffin. On C-Span, Archbishop John Foley said the same thing had happened 27 years before at the funeral of John Paul I. Rewatching that coverage this week I couldn't figure out if he was saying "that's interesting" or "again the wind cooperates with the media-savvy strategists of the Catholic church." But watching it on television, many of us experienced it as a small public miracle.

Thursday morning the line to see the queen at the Palace of Westminster stretched more than 5 miles. People tried to explain to reporters why they were there. To take part in history, they said. To acknowledge history. To see something you may never see again. To show respect and to do it all together, as a people. To honor goodness, for she was a good woman and everybody knew. To say thank you.

I think too they see the page turning, time passing, our time with all its facts, symbols and fixed points. She was there, as the repository of 1,000 years of history, from the London blitz through the great pandemic. Now there will be new fixed points, a new king. Whose presence implies that history continues—the page turns but the book stays, whether it be of faith or history or both.

It's said the British do this sort of thing better than anyone but the Vatican, and it's true. The pomp and circumstance of the processions, the



Pope John Paul II's funeral in 2005

lords and ladies, the military regiments in all their distinctive regalia, is a nation telling its story to itself. It's a people talking to itself about the passage and meaning of time.

On Monday the anchors of the great networks will talk about the emotions of the event, in keeping with the age, which is an emotional one and more responsive to pictures than the written or even spoken word. I hope they are highly specific and have a sense of history: "See that banner? It flew on a hill in Crimea during the Charge of the Light Brigade."

This would be specificity in service of mere historical romanticism. But I haven't noticed there's too much historical romanticism running around and needing to be subdued, have you? And how will children want to enter history without it? Why would you, unless you thought you could be part of something grand?

The King's Troop Royal Horse Artillery, in their plumed black hats, accompanied the queen's coffin this week. The Grenadier Guards were in the procession too. Eighty years ago, during World War II, Princess

Elizabeth became their honorary colonel. The Life Guards in their gold helmets and spike—two squadrons of them fought with Wellington at the Peninsular War. They led a charge at Waterloo.

The Royal Marines were among the last to leave Gallipoli in 1915. They were in the Falklands too, and the Gulf War, and Afghanistan.

The Scots Guards? The 15th Lord Lovat of Scotland joined them as a young man and later fought in World War II. Winston Churchill once called him the handsomest man who ever slit a throat. During the second world war he was in an army special service brigade, in the thick of the fighting at Sword Beach, in the Normandy invasion. He and others, including Bill Millin of the No. 4 Commando unit, raced to relieve British troops pinned down at the Pegasus bridge. He was a piper, and suddenly the men at the bridge heard the sound of his bagpipes. They thought they were dreaming. But it was Millin, cheering on the reinforcements, on the order of Lord Lovat, who, when he fought his way to the bridge, said, "Sorry, I'm a few minutes late," as if he'd been in a traffic jam. Cornelius Ryan

told the story in "The Longest Day." Ronald Reagan loved to tell it.

The Blues and Royals will be there. Parts of their regiment were formed on order of Oliver Cromwell. The Coldstream Guards fought from the English Civil War to Napoleon, from the Crimean War through Iraq. Their motto: "Second to none."

The Irish Guards will be there, formed by Queen Victoria in 1900. She had been moved by the valor of the Irish troops in the Boer War, and the lore is that an officer asked the sovereign if the Irish regiments in the British army could wear the shamrock on their helmets on St. Patrick's Day. She could do better than that, she said. In World War I the Guards were in the bloody battle of Passchendaele, where two of its members won the Victoria Cross in one day. Rudyard Kipling's son, John, died with the Guards in the Battle of Loos. Kipling later wrote a poem about them: "We're not so old in the Army List / But we're not so new in the ring."

The history of a country isn't only a history of its fighting, or shouldn't be. And there were all the wars and battles of wicked imperialism, too. The point is to know all the stories, to keep them alive in human memory. It's not all just water under the bridge, it's not just something that happened, it's part of who you are, who you've been, what you imbibed and got inside you.

It's not bad to tell the story, to put it out there for the world to see, and you to see. So I see the wisdom of the crowds in London. They're saying: Respect the past, and respect your own memory. A 70-year reign contains signposts not only of your life but the life of your times. This one includes the story of a shy little girl who became a queen, and a good one, who adorned her age.

Migrant Busing Brings the Border Crisis to Sanctuary Cities

By Carine Hajjar

It was 6 a.m., and the buses from Texas had yet to arrive. But a handful of ambulances and policemen already waited on the street. An hour later, empty buses from the Metropolitan Transportation Authority would line up to transport migrants across New York City. Volunteers unloaded boxes into the makeshift "triage center" inside the lobby of the Port Authority bus terminal. Manuel Castro, Mayor Eric Adams's commissioner for immigrant affairs, and Rep. Adriano Espaillat, whose district spans Upper Manhattan and part of the Bronx, arrived before 7. At around 8, 80 asylum-seeking migrants filed out of the two buses arriving from the Lone Star State, one sent by Mr. Abbott from the border and another by the city of El Paso. Messrs. Castro and Espaillat shook everyone's hand, saying: "Bienvenidos a Nueva York."

Since early August, Gov. Greg Abbott has been sending bus loads of asylum-seekers from the Texas border to sanctuary cities—New York, Chicago, Washington and other places that have policies discouraging local law enforcement from cooperating with federal authorities in enforcing immigration law. This week Florida Gov. Ron DeSantis one-upped Mr. Abbott by sending a small plane full of Venezuelan migrants to Martha's Vineyard, Mass.

New York is struggling to provide medical care and shelter for migrants in keeping with its sanctuary policies and right-to-shelter mandate. Some New York hospitals have seen unexpected arrivals of migrants throughout the summer, challenging already burdened staff. "Everyone is on board with wanting to help, but we don't have the staff," one doctor from a New York public hospital says. "The buses are coming unexpectedly, so there could be a wave of patients in the emergency room with complex medical and social needs that need to be triaged on top of the patients that are already there."

Housing the migrants is even more complicated, despite the city's best efforts. Shelter vacancy rates in June were under 1%, far below

the city's 5% target. On Aug. 1, Mr. Adams made an emergency procurement declaration to provide housing for asylum seekers. It included a "conservative estimate" that some 4,000 migrants had entered the shelter system since May, noting that the city doesn't track their immigration status. Today, the city reckons that number is closer to 9,800, of which 7,300 are still housed in New York City shelters. Mr. Adams has opened 20 more emergency shelters, some in hotels, amid the surge of asylum seekers. Washington, another sanctuary city, faces similar challenges. Its mayor, Muriel Bowser, and Mr. Adams have both asked the Federal Emergency Management Agency for help.

The objective of Mr. Abbott's stunt is to push sanctuary-city Democrats into demanding action from the White House on the border crisis. They're resisting. Mr. Adams has called Mr. Abbott's actions "horrific." At the Port Authority, Messrs. Espaillat's and Castro's words of welcome soon turned to denunciations of Mr. Abbott for causing a "circus," as Mr. Espaillat put it. "This is about a governor . . . that wants all of you to cover [for] him," he said.

When I asked if the Biden ad-

ministration is doing enough to create a safe and orderly border, Mr. Espaillat conceded that "much needs to be done at the border" but was quick to add that "this is complicated by the arbitrary behavior of Gov. Abbott." Mr. Castro's staff reported getting less than 24 hours' notice before now-daily bus arrivals.

Not all are dispatched by Gov. Greg Abbott. The federal government is sending them too.

Yet not all the arriving vehicles are "Abbott buses." The White House calls Mr. Abbott's busing "shameful," but the Biden administration appears to be doing the same thing. Mr. Adams has said that buses are sent by the federal government as well as the state. The city of El Paso, which has a Democratic mayor, is chartering buses separate from Mr. Abbott's operations and soliciting reimbursements from FEMA, according to the Texas Tribune.

Claims of Mr. Abbott's "human

trafficking," as Mr. Espaillat describes it, are overblown. New York City has more social services than El Paso or Del Rio. It offers better chances for asylum, too. In fiscal 2021, the New York immigration court granted 3 of every 4 asylum claims. Houston's granted less than 1 in 20.

The true culprits are in Washington, not Austin. Congress hasn't enacted meaningful reform to accommodate more legal immigration or stabilize the border, and the federal executive branch has fallen down on the job of administering existing law at the border and elsewhere.

From the humanitarian to the economic, welcoming migrants is beneficial, but our current immigration system isn't built to accommodate the present number of asylum claims. Since the start of fiscal 2022 last Oct. 1, there have been more than 1.9 million migrant encounters at the southern border, already exceeding the number of encounters for all of fiscal 2021 by more than 200,000. Of these, 47.5% were expelled under Title 42, a Trump-era anti-Covid policy, though many try again. The rest are likely to apply for asylum.

The consequences of disorderly policy reach bottom to top. As

Customs and Border Protection agents process increasing numbers of asylum seekers, they're diverted from the field, leaving the border porous to smugglers and cartels and decreasing security for local communities. The system is especially dangerous for migrants. Nearly 750 have died at the border, many drowning or otherwise succumbing to the elements, in fiscal 2022, up 200 from last year.

The dysfunction is also evident in immigration-court backlogs. According to Syracuse University, asylum seekers across the country wait an average of 810 days for an initial hearing. The average tops 900 days in New York state and 1,100 in New York City.

That means New York's obligations will multiply. After Messrs. Castro and Espaillat concluded their remarks, volunteers told me that three more buses were expected to arrive at noon, breaking a daily record for arrivals. This will be the norm until Washington can manage the crisis at the border. Forcing the issue is in Mr. Adams's interests, even if he doesn't like the way Mr. Abbott is doing it.

Ms. Hajjar is the Journal's Joseph Rago Memorial Fellow.

It's Ludicrous to Have Biden Settle a Rail Strike



BUSINESS WORLD
By Holman W. Jenkins, Jr.

simple stereotypes too. He defines himself as the most pro-labor president in history. The favor is not returned, apparently.

In the wee hours of Thursday, after anticipatory ripples of destruction were already spreading through the economy, an all-night effort by the White House barely averted a national rail strike, supposedly. The deal was dubbed

"tentative," but expect the unions to approve it. Leveraging the president for one last squeeze of the fruit, after all, was how they planned it from day one.

Mr. Biden's skin in the game was real, and not just the risk to the economy and inflation but fear of voters going to the polls in a few weeks believing the country was slipping into 1970s-style chaos. But something else about this episode should also be plain: its nuttiness. The angst was absurdly disproportionate to the dollar value of the employee benefits at issue, which concerned sick days. A national crisis was spawned for no better reason than an 88-year-old legal throwback to a bygone era of (to borrow a recent Bidenism) semifascist corporatism, which is the exact flavor of the Railway Labor Act amendments of 1934.

This obsolete law forces big government, big labor and big business into bed in a way that hardly makes sense anymore in a mostly free-market economy. If not for the law's legacy, a nationwide strike encompassing the whole of the rail transportation system (33 private companies) would be all but unthinkable, much less the industry's leverage to force the White House to dance to the industry's exceedingly penny-ante economic disputes.

In the briefest recap, under the antiquated railroad law, a Biden-appointed emergency board had already tried to split the difference between the 12 unions and 33 carriers, recommending a 24% pay hike and \$5,000 in bonuses.

But rejecting the deal were the important engineers and conductors, who insisted on trying further to leverage Mr. Biden over something called attendance policy, which the board considered outside the negotiation's statutory ambit.

Trains can't run if crews don't show up, at least until algorithms take over their jobs, which is not at all farfetched.

The dollar value of the gain to workers is dwarfed by the waste of the government's and nation's time.

To encourage reliable attendance, railroads use a points system, in which deductions are made when a worker declines an assignment. Decline too many and a worker will be encouraged to realize that railway work, with its scheduling uncertainties and interrupted sleep and social patterns, may not be for him or her.

Understandably some workers find the system irksome, but the repeated complaint that employees are being "punished"—i.e., dinged for points—for needing to see a doctor is misleading.

The unions themselves long ago bargained for contract terms that supply paid time off for a prolonged illness but otherwise provide an allotment of voluntary days off that can be used for any reason, including illness or a doctor's appointment.

Mr. Biden's emergency board saw clearly what was going on. The unions sought an "overly broad and very costly proposal that would create 15 paid days a year that, while nominally labeled as sick leave days, would . . . effectively be personal days that could not be denied for any reason."

Notice, first of all, that the larger public's stake in this is nil, even if the misery of rail workers can be exaggerated. Their pay was already over \$100,000, and their quit rate less than a third the quit rate of any related industry sector.

The public's stake becomes decidedly greater than nil only because of a crazy statutory arrangement that virtually required railroad labor and management to take the nation and government as human shields as they battled over the last, dinky sticking point in their contract negotiations, related to time off for medical situations.

This is genuinely ridiculous, though it's hardly surprising that, with the midterms coming up, the Biden administration felt the better part of valor was to award workers some additional sick days. Yet this week's outcome almost guarantees that next time the railroads and the unions will be even less likely to reach terms without taking the economy and the occupant of the White House hostage. We'll be here again. And our leaders probably won't even get around to asking themselves why this 1930s dynamic still exists in a 21st century economy, like so many arrangements in America that are obsolete yet incapable of reform.

THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES & COMPANY

Rupert Murdoch
Executive Chairman, News Corp

Matt Murray
Editor in Chief

Karen Miller Pensiero, Managing Editor
Jason Anders, Deputy Editor in Chief
Neal Lipschutz, Deputy Editor in Chief
Thorold Barker, Europe; Elena Cherney, Coverage;
Andrew Dowell, Asia; Brent Jones, Culture,
Training & Outreach; Alex Martin, Print &
Writing; Michael W. Miller, Features & Weekend;
Emma Moody, Standards; Shazna Nessa, Visuals;
Matthew Rose, Enterprise; Michael Siconolfi,
Investigations

Paul A. Gigot
Editor of the Editorial Page
Gerard Baker, Editor at Large

Robert Thomson
Chief Executive Officer, News Corp

Almar Latour
Chief Executive Officer and Publisher

DOW JONES MANAGEMENT:
Daniel Bernard, Chief Experience Officer;
Mae M. Cheng, SVP, Barron's Group; David Cho,
Barron's Editor in Chief; Jason P. Conti, General
Counsel, Chief Compliance Officer; Dianne DeSevo,
Chief People Officer; Frank Filippo, EVP, Business
Information & Services, Operations; Robert Hayes,
Chief Business Officer, New Ventures;
Elizabeth O'Melia, Chief Financial Officer;
Josh Stinchcomb, EVP & Chief Revenue Officer,
WSJ / Barron's Group; Jennifer Thurman, Chief
Communications Officer

EDITORIAL AND CORPORATE
HEADQUARTERS:
1211 Avenue of the Americas, New York, N.Y., 10036
Telephone 1-800-DOWJONES

SPORTS

It's a New NFL Season With the Same Old Coaching Gaffes

There were crazy finishes in Week 1. Behind many of them: questionable sideline decisions.

By Andrew Beaton

Before the Bengals-Steelers game last Sunday became a kicking mess induced by long snappers, Cincinnati had a chance to avoid calamity. With a few minutes left, Bengals quarterback Joe Burrow hit receiver Ja'Marr Chase on a pass that re-plays showed to be an obvious touchdown—except, the officials on the field placed the ball just short at the 1-yard-line.

Correcting this clear error would have merely required Cincinnati coach Zac Taylor to throw a red piece of cloth, otherwise known as a challenge flag, onto the field. It would have taken little time to have the play overturned and ruled a touchdown.

Instead, the Bengals offense ran to the line and got stuffed. They wound up turning the ball over on downs, while Pittsburgh eventually prevailed in overtime after Cincinnati missed a pair of kicks following an injury to its long snapper.

This NFL season is barely one week old. There have already been dramatic moments and crazy finishes. Behind many of them: questionable coaching decisions.

Across the league, these miscues are offering reminders about the various ways coaches can swing games. Not challenging a play was just one of the apparent gaffes. There were also instances of clock mismanagement plus a steady dose of head-scratching decisions involving kicks, punts and fourth-down calls.

Denver Broncos first-year head coach Nathaniel Hackett already regrets the choice he made that defined his debut, a 17-16 loss to the Seattle Seahawks. Late in the fourth quarter, quarterback Russell Wilson had led the Broncos down field and reached the Seattle 46-yard-line with just over a minute left. (Yes, Wilson plays for Denver and not Seattle now.) Facing fourth-and-5, Hackett faced a decision that doesn't seem so hard for him in retrospect.

"Looking back at it," he said this week, "definitely should have gone for it."

Instead of letting Wilson, the nine-time Pro Bowl passer the team traded two first-round picks to acquire, attempt to convert, the Broncos sent their kicker onto the field to try and nail one of the longest kicks in NFL history. It predictably missed.

Taylor, coming off last year's Super Bowl appearance for Cincinnati, had a thornier kicking decision in overtime against the Steelers. The Bengals had gotten the ball to the Pittsburgh 11-yard-line for third-and-8, only needing the short field goal to win the game. It's a normal situation to kick, but these were completely abnormal circumstances: the injury to the Bengals long snapper led to a



FROM TOP: ANDY LYONS/GETTY IMAGES; JOHN FROSCHNER/ASSOCIATED PRESS



Ja'Marr Chase, above, was ruled to be short of the goal line. Bengals coach Zac Taylor didn't challenge the play. Left, Broncos coach Nathaniel Hackett.

missed extra point that would have won the game in regulation. It was still just third down, so Cincinnati could have put the ball in Burrow's hands for one more play to try and get a first down and reach the end zone, an outcome that would eliminate the kicker entirely. The Bengals opted for the third-down field goal. The snap from the backup long snapper wasn't good.

Taylor, afterward, explained that he thought it was the best call because if the snap was off, the holder could have spiked it and they'd have another down for another attempt. "Unfortunately, it just didn't work out for us," he said.

Somehow, this wasn't the end of the Bengals' strategic miscues. On the next possession, they lined up

decisions that appear indisputably brilliant. The New York Giants scored a touchdown to put them down 20-19 with 1:06 left against the Tennessee Titans last Sunday. They could have tied the game with an extra point and hoped to win in overtime. New Giants coach Brian Daboll risked attempting a 2-point conversion—and they converted to take a 21-20 lead.

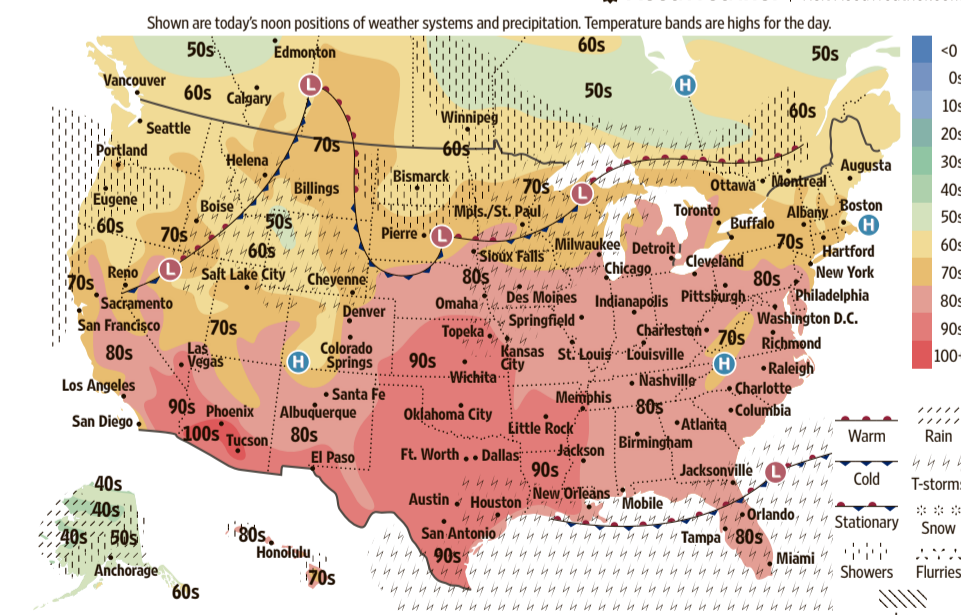
A decision like that, though, doesn't just change the score of a game. It changes behavior. If the game were tied, with little time on the clock, the Titans might have opted to play conservatively and win in overtime. But down 21-20, they had no choice but to try and race down the field. Different models disagreed about whether the Giants made the right call.

It didn't take long for the Titans to get the ball into scoring range. With 18 seconds left, they had gotten the ball to New York's 27-yard-line for a high-probability kick. Quarterback Ryan Tannehill scurried to spot the ball on the right hashmark on the next play to set up a game-winning field goal try.

The Giants left the field looking like geniuses because the kick sailed wide left.

Weather

AccuWeather | Visit AccuWeather.com



Forecasts and graphics provided by AccuWeather, Inc. ©2022

U.S. Forecasts

s_sunny; pc_partly cloudy; c_cloudy; sh_showers; t_tstorms; r_rain; sf_snow flurries; sn_snow; l_ice

| City | Today | | | Tomorrow | | |
|---------------|-------|----|----|----------|----|----|
| | Hi | Lo | W | Hi | Lo | W |
| Anchorage | 58 | 50 | pc | 54 | 48 | s |
| Atlanta | 85 | 66 | s | 86 | 65 | s |
| Austin | 93 | 71 | pc | 94 | 72 | s |
| Baltimore | 83 | 62 | pc | 87 | 66 | s |
| Boise | 79 | 58 | pc | 77 | 52 | pc |
| Boston | 68 | 63 | pc | 83 | 64 | pc |
| Burlington | 70 | 62 | s | 74 | 60 | r |
| Charlotte | 84 | 59 | s | 84 | 61 | s |
| Chicago | 86 | 68 | pc | 84 | 66 | t |
| Cleveland | 83 | 66 | pc | 84 | 66 | pc |
| Dallas | 93 | 76 | s | 95 | 77 | s |
| Denver | 81 | 53 | s | 89 | 58 | s |
| Detroit | 85 | 66 | pc | 85 | 66 | pc |
| Honolulu | 88 | 75 | s | 88 | 75 | sh |
| Houston | 90 | 73 | t | 91 | 72 | c |
| Indianapolis | 85 | 64 | pc | 85 | 68 | pc |
| Kansas City | 88 | 71 | t | 92 | 75 | pc |
| Las Vegas | 93 | 69 | s | 93 | 68 | s |
| Little Rock | 91 | 69 | s | 93 | 72 | c |
| Los Angeles | 81 | 65 | pc | 79 | 63 | pc |
| Los Angeles | 86 | 78 | t | 88 | 78 | pc |
| Miami | 85 | 68 | t | 83 | 66 | c |
| Minneapolis | 79 | 64 | t | 76 | 60 | c |
| Nashville | 87 | 64 | s | 89 | 66 | c |
| New Orleans | 89 | 76 | pc | 87 | 75 | t |
| New York City | 78 | 66 | pc | 87 | 70 | s |
| Oklahoma City | 93 | 72 | pc | 95 | 72 | s |

International

| City | Today | | | Tomorrow | | |
|--------------|-------|----|----|----------|----|----|
| | Hi | Lo | W | Hi | Lo | W |
| Amsterdam | 60 | 53 | sh | 60 | 52 | t |
| Athens | 89 | 74 | pc | 90 | 70 | s |
| Baghdad | 104 | 74 | pc | 108 | 73 | pc |
| Bangkok | 90 | 78 | t | 89 | 78 | t |
| Beijing | 92 | 64 | s | 88 | 58 | s |
| Berlin | 60 | 47 | sh | 56 | 47 | t |
| Brussels | 58 | 48 | sh | 57 | 47 | r |
| Buenos Aires | 72 | 62 | pc | 68 | 59 | pc |
| Dubai | 102 | 85 | s | 101 | 86 | s |
| Dublin | 59 | 44 | pc | 62 | 48 | pc |
| Edinburgh | 58 | 46 | c | 59 | 43 | pc |

| City | Today | | | Tomorrow | | |
|----------------|-------|----|----|----------|----|----|
| | Hi | Lo | W | Hi | Lo | W |
| Frankfurt | 61 | 48 | sh | 58 | 46 | r |
| Geneva | 59 | 43 | sh | 64 | 43 | s |
| Havana | 90 | 73 | t | 90 | 72 | t |
| Hong Kong | 93 | 83 | pc | 93 | 83 | s |
| Istanbul | 86 | 75 | s | 81 | 64 | t |
| Jakarta | 91 | 76 | t | 92 | 76 | c |
| Jerusalem | 86 | 64 | s | 84 | 63 | s |
| Johannesburg | 79 | 58 | s | 79 | 59 | s |
| London | 61 | 47 | pc | 63 | 50 | pc |
| Madrid | 84 | 61 | pc | 84 | 62 | pc |
| Manila | 88 | 79 | sh | 86 | 78 | sh |
| Melbourne | 58 | 50 | r | 59 | 48 | sh |
| Mexico City | 71 | 57 | t | 70 | 57 | t |
| Milan | 75 | 55 | s | 76 | 55 | t |
| Moscow | 60 | 45 | r | 60 | 51 | c |
| Mumbai | 86 | 78 | r | 87 | 78 | pc |
| Paris | 63 | 44 | s | 66 | 47 | pc |
| Rio de Janeiro | 71 | 62 | pc | 71 | 62 | s |
| Riyadh | 105 | 83 | s | 106 | 83 | s |
| Rome | 80 | 53 | s | 76 | 57 | s |
| San Juan | 86 | 78 | r | 83 | 78 | r |
| Seoul | 84 | 70 | c | 89 | 71 | pc |
| Shanghai | 86 | 74 | s | 85 | 71 | pc |
| Singapore | 85 | 78 | c | 86 | 79 | t |
| Sydney | 72 | 55 | s | 72 | 56 | pc |
| Taipei City | 89 | 75 | s | 90 | 75 | s |
| Tokyo | 81 | 77 | c | 82 | 78 | r |
| Toronto | 77 | 65 | pc | 82 | 66 | c |
| Vancouver | 64 | 51 | pc | 66 | 49 | s |
| Warsaw | 59 | 47 | c | 57 | 45 | sh |
| Zurich | 54 | 43 | sh | 59 | 42 | c |

A Teen Grabs Skating's Holy Grail

By Louise Radnofsky

THE JUMP THAT FINALLY broke the biggest barrier in figure skating wasn't landed at the Olympic Games, under the bright lights of a packed arena with millions watching on television.

It wasn't conquered by Yuzuru Hanyu, the two-time Olympic champion on a quest to claim it as his own, or Nathan Chen, the reigning Olympic gold medalist who had briefly explored whether it was within his own range. There was barely anyone there to see it.

The elusive quadruple axel—four and a half rotations in the air, from a tricky forward takeoff—was instead landed cleanly in competition by a Virginia teenager in Lake Placid, N.Y. on Wednesday night at an obscure early season competition.

Ilija Malinin, a 17-year-old American coached by parents who themselves had skated for Uzbekistan, has a title that nobody can take from him: He can call himself the first person ever to nail the quad axel. (Along the way, he also happened to win the 2022 U.S. International Figure Skating Classic.)

The quad axel had long been considered a holy grail in figure skating, and some of the greatest names in the history of the sport have had their eyes on it. Hanyu staked the last years of his competi-



Ilija Malinin is the first skater to nail the quadruple axel in competition.

mind that there will be quad axels done," he said ahead of the Beijing Games in February. "I personally think it will be done in the near future."

It wasn't a surprise that Malinin was the one who beat everyone to it. The clearest indication that Malinin might win this race came when he posted training videos over the summer. There was neither pomp nor circumstance for Malinin's quad axel. The event was streamed on NBC's Peacock service with few of the trappings of a major competition—no instant replay, no commentary, no archiving.

There were maybe dozens of fans there in person.

—Ben Cohen contributed to this article.

tive career on attempting to land it when it counted. Chen's flirtation with the jump gave way to winning an Olympic gold medal that had previously eluded him. Artur Dmitriev Jr. fell short with an under-rotated attempt at the U.S. Championship at the start of the year.

Their efforts had been getting so close, and so frequent, that they convinced people that a jump once seen in their wildest dreams would instead be seen in months. The first quadruple jump of any kind came from a chase; the first triple immediately unleashed a slew of others.

"There's no doubt in my

KODONIEWSKI/ZUMA PRESS



Spying Bosses
Workplaces use surveillance tech, but it has flaws **B4**

EXCHANGE

Pigs Fly
LaGuardia Airport is better and can teach us to be, too **B5**



BUSINESS | FINANCE | TECHNOLOGY | MANAGEMENT

THE WALL STREET JOURNAL.

**** Saturday/Sunday, September 17 - 18, 2022 | **B1**

DJIA 30822.42 ▼ 139.40 0.5% **NASDAQ** 11448.40 ▼ 0.9% **STOXX 600** 408.24 ▼ 1.6% **10-YR. TREAS.** ▲ 3/32, yield 3.447% **OIL** \$85.11 ▲ \$0.01 **GOLD** \$1,671.70 ▲ \$6.30 **EURO** \$1.0016 **YEN** 142.93



STEPHEN VOSS FOR THE WALL STREET JOURNAL (3); BING GUAN/REUTERS; NEWS

Jim Chen prefers to wear cowboy boots instead of dress shoes while lobbying states to let electric-truck maker Rivian open its own stores and bypass dealers.

Stocks End Week Down On Profit, Rate Fears

BY CORRIE DRIEBUSCH AND CAITLIN OSTROFF

U.S. stocks closed lower Friday as investors came to grips with corporate warnings that paint an increasingly dire outlook for the health of the U.S. economy.

In the past week, companies including Goldman Sachs Group Inc. prepared to cut jobs, exacerbating fears of an impending recession. FedEx cautioned late Thursday that it is closing offices to offset declining demand, and General Electric said supply-chain problems were weighing on profits.

The news pushed down stocks, with the Dow Jones Industrial Average falling 139.40 points, or 0.5%, to 30822.42. The S&P 500 dropped 28.02 points, or 0.7%, to 3873.33.

For the week, the Dow lost 4.1%, while the S&P retreated 4.8%

The Nasdaq Composite declined 103.95 points, or 0.9%, to 11448.40. It fell 5.5% for the week, its worst since June. All three indexes are down four of the past five weeks.

The big moves are surprising given how U.S. stocks appeared on the upswing earlier this summer, climbing from their mid-June lows on the back of earnings that weren't as bad as feared and some strong hiring data. However, investors who had hoped that the midsummer bounce back was the beginning of a new bull market rally got a rude awakening when data on Tuesday confirmed that inflation

Please turn to page B11

Uber Hack Shows Tech Industry's Achilles' Heel

BY ROBERT McMILLAN AND MEGHAN BOBROWSKY

A security breach of **Uber Technologies** Inc. temporarily hobbled the ride-hailing company's internal communications in one of the starkest illustrations of how tech companies that have access to the best talent and tools are vulnerable to repeated compromise.

Uber on Friday morning said it was continuing to investigate the incident, which began Thursday and prompted the company to take the preventive measure of suspending employee access to internal systems including Slack, Zoom and Gmail. Access to those systems was being restored as of Friday morning, the company said, adding that it had notified law enforcement and that it had no evidence that the incident involved access to "sensitive user data" such as riders' trip histories.

The attacker appeared to gain significant access to Uber's internal systems, according to security researchers who communicated with the hacker. The anonymous hacker popped up on the company's internal Slack channel on Thursday announce-

Please turn to page B2

Can This Man Change How Cars Are Sold?

Only automobile dealerships can sell you a car in many states. Electric-vehicle upstart Rivian wants that to end, and it's Jim Chen's job to make that happen. It won't be easy.

Jim Chen, the chief lobbyist for Rivian Automotive Inc., one of the most ambitious electric-vehicle startups, wants to change how people buy cars and trucks. He had some success making that happen last decade at Tesla Inc., where he made it easier to purchase models directly from the manufacturer. Now he faces new resistance from a powerful political group: local car dealerships. In the state of Washington, opposition from those dealerships sank a proposal pushed by Mr. Chen that would have allowed electric-vehicle manufacturers to sell from their own stores and bypass

BY SEAN MCLAIN

dealers. In Georgia, a similar bill he backed didn't make it to the floor of the state legislature despite Rivian's pledge to build a \$5 billion factory in that state. Another potential piece of legislation in Connecticut also died this year. The state-by-state confrontation over how and where vehicles are sold pits a son of Taiwanese immigrants who prefers to wear cowboy boots against some of the most successful and wealthiest homegrown business owners across the

country. There are currently 27 states where dealer franchise laws dating back decades and fiercely defended by dealer lobbyists prevent Rivian and other electric-vehicle startups from selling directly to consumers, according to data from nonprofit EV advocacy group Electrification Coalition. In nine of those states, only Tesla is permitted to sell vehicles without a dealer—a limited arrangement that Mr. Chen helped secure while working for Tesla last decade. Rivian and Tesla don't currently sell any of their vehicles through dealers.

"It is absolutely a much tougher bat-

Please turn to page B6

The Beast and Friends Come to Weekend TV

BY JOHN JURGENSEN

On a new television show, a character named the Beast hoists her opponents onto her shoulders before slamming their backs to the canvas in a signature move called a power bomb.

Outside the ring, the Beast is Twana Barnett. She works as an emergency medical technician and Covid compliance officer.

Local television stations, reeling in their fight against online entertainment, are now tagging the Beast and her colleagues into the ring. They're the stars of a new syndicated weekend program called "WOW—Women Of Wrestling" starting Sept. 17.

The "WOW" wrestlers, with names like Foxy Fierce, Kandi Krush and Ice Cold (a former col-

lege diver and weightlifter whose wrestling outfit evokes the princesses from the "Frozen" movies), are backed by one of the National Basketball Association's most powerful women, Los Angeles Lakers controlling owner and Chief Executive Jeanie Buss. Ms. Buss has invested several million dollars into the all-female wrestling company in an attempt to leverage the growing clout of female athletes, a marketing message of gender empowerment and the enduring appeal of the choreographed battles and melodrama that is professional wrestling.

Add some family-friendly theatrics and a major TV rollout through Paramount Global's syndication network, which distributes "Jeopardy!" and "Wheel of Fortune," and Ms.

Please turn to page B2



Local television channels are taking a gamble on a new show, 'WOW—Women of Wrestling,' this fall.

WOW TELEVISION ENTERPRISES, LLC

THE SCORE

THE BUSINESS WEEK IN 7 STOCKS

WALT DISNEY CO.

DIS
1.1%

A prominent Disney investor no longer wants to turn off ESPN. Activist billionaire Dan Loeb signaled he was backing off on persuading the entertainment giant to spin off its sports television network, after his hedge fund Third Point LLC last month renewed its stake in Disney stock. The switch followed a recent statement from Disney's chief executive that he plans for ESPN to be a growth engine and a large part of Disney's entertainment offerings. The idea of selling ESPN came up frequently in recent years as the price of sports broadcast rights rose. Disney shares **gained 1.1% Monday**.

PELTON INTERACTIVE INC.

PTON
10%

One of Peloton's original leaders is leaving the race to turn the fitness-equipment maker around. Co-founder John Foley, who led the company for most of its 10-year existence before stepping down as chief executive officer in February, resigned as executive chairman as other top officers also departed. Peloton has struggled with deepening losses and a glut of unsold bicycles as consumers return to gyms and outdoor activities. The announcement about Mr. Foley came weeks after Peloton reported a \$1.2 billion quarterly loss and a nearly 30% drop in revenue. Peloton shares **lost 10% Tuesday**.

PERFORMANCE OF DELIVERY STOCKS THIS WEEK

Source: FactSet



FEDEX CORP.

FDX
21%

FedEx isn't delivering. The giant shipper announced a sales shortfall and said it would close corporate offices and park aircraft to offset declining volumes of packages moving around the world. Chief Executive Raj Subramaniam said that to cut costs the company would also freeze hiring, reduce Sunday ground operations and close 90 FedEx Office locations. FedEx shares **plunged 21% Friday**.

RENT THE RUNWAY INC.

RENT
39%

More customers are hanging up their subscriptions to Rent the Runway. The fashion rental service on Monday said it would reduce its corporate workforce by 24%, primarily through layoffs, as it adjusts to a drop in its active subscriber count in the latest quarter. CEO Jenn Hyman said roughly 20% of business is coming from shoppers seeking work clothes, a much smaller percentage than before the pandemic. Many shoppers are shifting their behavior as they react to high inflation, squeezing retailers such as Target Corp. and Amazon.com Inc. Rent the Runway shares **plummeted 39% Tuesday**.

UNION PACIFIC CORP.

UNP
0.2%

Union Pacific and other rail giants kept their operations from running off track. The biggest freight railroads and union leaders on Thursday reached a tentative agreement to avert a nationwide strike. The deal, brokered by President Biden and White House officials, came less than 24 hours before a Friday deadline that could have led to a shutdown of rail operations. Union Pacific, BNSF Railway Co., CSX Corp., and Norfolk Southern Corp. have been in contract talks with unions since late 2019 concerning pay and working conditions. Union Pacific **added 0.2% Thursday**.

STARBUCKS CORP.

SBUX
5.5%

Starbucks has a plan to give its service a jolt. Interim Chief Executive Howard Schultz on Tuesday outlined a revamp of the coffee chain, saying the company will spend hundreds of millions of dollars to update store designs and equipment in order to speed service and make work easier for its baristas. The company aims to reduce employee turnover after confronting worker frustration and a union push over the past year. Mr. Schultz said spending on cafe operations and worker benefits would pay off in higher sales and profits. Starbucks shares **rose 5.5% Wednesday**.

GAP INC.

GPS
3.6%

Ye told Gap nay. The rapper Kanye West on Thursday formally notified the apparel chain that he was terminating their partnership that began in 2020 with the development of a clothing collection under the Yezy Gap brand. A letter from Mr. West's lawyers said Gap breached the agreement by not releasing apparel and opening retail stores as planned. Mark Breitbard, president and CEO of the Gap brand, told employees in a memo that the company and Mr. West are "not aligned" in how they work together. Gap shares **fell 3.6% Thursday**.
—Francesca Fontana

A TV Bet On Women's Wrestling

Continued from page B1

Buss hopes she has the makings of a hit. Paramount has already locked in commitments from stations in all 210 U.S. television markets to air "WOW" weekly, a rarity for a brand-new show without a track record of success.

Ms. Buss has been trying for a decade to make "WOW" happen. Her co-owner, David McLane, has been trying even longer, and had a hand in other women's wrestling shows before that, including "GLOW: Gorgeous Ladies of Wrestling," which aired in the 1980s (and was later dramatized in a Netflix series). They're joining a market crowded with wrestling companies including the dominant World Wrestling Entertainment Inc., which had \$1.1 billion in revenue last year. Between the WWE and rival operation All Elite Wrestling, there's often a combined 10 hours of wrestling programming airing weekly on broadcast and cable networks.

"WOW" has a retro shtick, less intense and more campy than most contemporary wrestling shows. Female empowerment is the prevailing theme. WOW calls its wrestlers "superheroes." In the premiere episode, Mr. McLane describes the women "blasting through glass ceilings and becoming powerful and empowering role models to boys, girls and others of all ages."

"WOW" wants to lure casual viewers and families. But the company also needs core wrestling fans. Men typically make up around 60% of adult viewers for flagship WWE shows, according to Nielsen data. Whether "WOW" can find a niche may depend less on its gender focus than the caliber of its product and personalities, said Brandon Thurston, editor of WrestlingEconomics. "Fans are interested in good wrestling they can connect with emotionally, whether that's with men or with women."

Women are playing a bigger role in the wrestling industry than ever thanks to a surge of serious female starpower in the last decade, including Ronda Rousey, who migrated from mixed martial arts. Yet Ms. Buss contends that at most wrestling companies, female bouts often remain an undercard attraction—"a sideshow," she said. "Why can't women be the main event? Why can't women carry the card?" "WOW" scored points with wres-



Foxy Fierce lands a drop kick on Penelope Pink, above. Young fans, right, cheer on the wrestlers, who are marketed as 'superheroes.'

ting aficionados by hiring AJ Mendez as an executive producer and color commentator. As a champion in the WWE, Ms. Mendez was a star performer of the 2010s who wore Chuck Taylor sneakers and helped change the mold for WWE "Divas"—the company's then-label for female talent. Ms. Mendez is now a mental-health advocate and writer, with a bestselling memoir that included critiques of the wrestling business. It was Ms. Buss and her commitment to an all-female roster that convinced Ms. Mendez to return to the wrestling world, she said.

When it comes to talent in the ring, "WOW" is hitting the air without any major stars. Mr. McLane described the company as a startup without the financial resources to lock in big names, and said he wants to cultivate the brand with homegrown talent: "Stars get made through their feuds, battles and rivalries." His 45-woman lineup relies on veterans from earlier iterations of "WOW," a few performers from the independent circuit, plus new recruits who turned up for tryouts.

In July, at a spartan training facility in a strip of low-slung warehouses in L.A.'s San Fernando Valley, a dozen women leapt in and out of a wrestling ring, practicing leg scissors, arm drags, and other moves. The din from their feet and bodies whomping the canvas sounded like someone slamming a door over and over as the women hollered, grunted and cheered.

They were preparing for a "WOW" taping in late August, which would provide the company with enough material for 12 of its 52 episodes for the year. The weekend taping at Los Angeles's Belasco theater would involve 48 matches over three separate live shows.

The Los Angeles-based wrestlers train about three hours a day, Monday through Friday, with "WOW" creative director Selina Majors. She still has the trademark mullet haircut she wore when she wrestled under the name Bambi, starting in 1986. Now she's called Meemaw by the "WOW" wrestlers she mentors. One of the first things she teaches the uninitiated: how to take a fall



without biting their tongue.

After training, many wrestlers head to their main jobs (fitness trainer, logistics manager, computer programmer). They don't earn enough from "WOW" to make wrestling a full-time gig. The wrestlers get paid for matches they perform in, with the potential for bonuses and a cut of merchandise and licensing revenue. WOW declined to discuss specifics about pay, but executives say compensation will grow if the show succeeds and if the wrestlers hit benchmarks in popularity, such as their social-media followings.

Ms. Buss said WOW reminds her

One of the first things a new wrestler must learn: How to take a fall without biting her tongue.

of the scrappier days of the Lakers, when her father, the late Jerry Buss, bought the team in 1979 and recruited Magic Johnson. The team saga, which later included power struggles among Ms. Buss and her three siblings, has recently been chronicled in the drama series "Winning Time" and two documentary series.

On the side, Ms. Buss had underdog sports ventures, including a short-lived tennis team (the Los Angeles Strings) and a roller hockey team (the Los Angeles Blades)

meant to capitalize on the in-line skating craze of the 1990s.

One thing that survived her roller-hockey chapter was a friendship with Mr. McLane, who also worked to get that sport off the ground. In 1986 Mr. McLane had launched "GLOW," but left after two seasons as the wrestling show doubled down on campy comedy.

Now the market is different, said Mr. McLane. "Never in the last few years have I had people ask, is it oil wrestling, is it mud wrestling, or anything less than powerful women kicking butt in the ring."

Paramount Global Content Distribution executive Dan Cohen said he knew station owners would be hungry for unique programming, especially for weekends. He was also drawn to what the show's talent represented: a mix of body types, back stories, and ethnicities. "They're not all the same cookie cutter mold, and I do think there's an audience that wants to see that," he said.

Syndication was a major force in wrestling's television breakout in the 1980s. Now, it will be a challenge for "WOW" to get discovered in a flood of content. Younger audiences, especially, may not even be aware that such TV channels exist.

Ms. Buss knows wrestling might seem like an unlikely entrepreneurial choice. "I've been approached about women's professional ice hockey, volleyball, soccer. None of those really resonated with me," she said. "I get as excited about seeing these women as the Lakers."

Uber Hack Shows Tech Vulnerability

Continued from page B1

ing: "I am a hacker and uber has suffered a data breach," according to a screenshot viewed by The Wall Street Journal. The hacker also took over an account, used by the company to communicate with security researchers, according to people who saw posts from the hacker.

The hacker's declarations were posted on HackerOne, an online service provider that helps companies manage their interactions with cybersecurity researchers. Uber is a HackerOne client. The declarations were posted using Uber's login, and the posts seem designed to taunt Uber—more "chest thumping" than anything else, said Corben Leo, a researcher with the cybersecurity services company Zelic, who interacted with the hacker.

In a post by Uber's HackerOne account, the hacker boasted about compromising Uber's Amazon Web Services account, its Google cloud services and its VMware information-technology software too, and invited readers to connect with them through the Telegram messaging app, Mr. Leo said. "UBER HAS BEEN HACKED," the post read. "AND THIS HACKERONE ACCOUNT HAS BEEN ALSO."

Uber hasn't explained how the hacker gained access to its systems, but according to the hacker's explanation to some researchers, the company failed to secure the keys to its security kingdom.

According to Mr. Leo, the hacker told him that he or she tricked an Uber employee into providing access to the company's virtual private network and that while there, the hacker was able to gain access to software known as a privileged access management server, used to protect the company's most-sensitive login credentials.

The self-described hacker reiterated the claim of responsibility in an exchange with the Journal on the Telegram messaging app Thursday evening but didn't answer further questions.

While tech companies are known for hiring the best and brightest technical minds, often that expertise is trained on building new products rather than protecting them.

The attack came a day before Uber Chief Executive Officer Dara Khosrowshahi took the stand in a criminal case relating to a 2016 data breach at the company, and marked the latest of many hacks that have compromised technology companies by leveraging sometimes simple avenues of attack such as getting low-level employees to provide their login credentials.

The Federal Bureau of Investigation said Friday that it was assisting Uber with its most-recent cyber incident.

In court on Friday, Mr. Khosrowshahi wasn't asked about the more recent hack but said, "Security issues are serious."

He added, "Real people could be affected."



L.A. Lakers Chief Executive Jeanie Buss invested millions in WOW.

BUSINESS NEWS

Space Firm Nears \$1 Billion SPAC Deal

Intuitive Machines hopes to ride a boom in missions by NASA and other companies

By AMRITH RAMKUMAR

Intuitive Machines LLC is nearing a merger with a special-purpose acquisition company that would take the space-exploration infrastructure provider public at a valuation that could top \$1 billion, people familiar with the matter said.

Houston-based Intuitive Machines provides data and technology, including small spacecraft and robots, to support lunar missions by the National Aeronautics and Space Administration and others.

NASA has said it hired Intuitive to deploy its Nova-C lunar-lander to the moon and will use a company "hopper" robot on a separate lunar mission. Both operations are part of NASA's Artemis program and are slated to happen in the next few years.

Intuitive is close to an agreement with the SPAC, **Inflection Point Acquisition**

Corp., the people said. Intuitive—founded about a decade ago by industry veterans Steve Altemus, Kam Ghafarian and Tim Crain—is one of many startups hoping to cash in on an expected boom in space missions driven by NASA and companies including Elon Musk's Space Exploration Technologies Corp., or SpaceX, Jeff Bezos' Blue Origin LLC and Richard Branson's Virgin Galactic Holdings Inc.

It aims to avoid some of the business uncertainty that has plagued others in the sector by providing essential infrastructure, software and data to different customers.

The merger would come during downturns for both space-exploration startups and SPACs, which have been hit hard by rising interest rates and the stock-market selloff. Shares of Virgin Galactic, Astra Space Inc. and other publicly traded space companies have tumbled lately.

Several firms, including Italian space-logistics company D-Orbit SpA and weather-data company Tomorrow.io, that previously announced SPAC mergers eventually canceled them. Many startups that put

off plans to go public through SPACs or traditional initial public offerings later elected to raise money privately.

A SPAC, also called a blank-check firm, is a shell company that raises money and trades publicly with the sole intent of merging with a private firm to take it public. After regulators approve the deal, the company going public replaces the SPAC in the stock market. Such combinations have become popular alternatives to traditional IPOs in the past few years, particularly for startups.

The Inflection Point SPAC holds about \$330 million that Intuitive could also use to expand its business. In SPAC deals, investors can pull their money out before closing. Many investors have done so in other recent deals. The SPAC is backed by Kingstown Capital Management LP.

If many investors pull out, the deal would guarantee Intuitive Machines more than \$100 million in cash through agreements among the SPAC's creators, a company co-founder and outside investors, the people said.

—Micah Maidenberg contributed to this article.



Houston-based Intuitive Machines provides data and technology, including small spacecraft and robots, to support lunar missions by the National Aeronautics and Space Administration and others.

AUBREY GEMIGNANI/NASA/GETTY IMAGES

U.S. Casino Giants Face Wild-Card Rival in Macau Bids

By ELAINE YU

HONG KONG—Casino operators in Macau have seen their fortunes slip as China's "zero-Covid" policy cut the city off from many visitors in recent years. Now the companies face another wild card: A surprise challenger for the city's new gambling licenses.

On Friday, the Chinese gambling hub of Macau opened bids for 10-year casino licenses, which will come into effect after the current ones expire at the end of 2022. Now, seven companies are vying for six available spots, after an affiliate of **Genting Group**, headed by a Malaysian billionaire, submitted an unexpected last-minute ten-

der before this week's deadline. The bid has shaken things up for the existing six license holders, which include the Macau subsidiaries of the U.S.-based **Las Vegas Sands Corp.**, **Wynn Resorts Ltd.** and **MGM Resorts International** and their local rivals. The current license holders had been expected by analysts to get their renewals.

The three American casino operators have poured billions of dollars into constructing glitzy Vegas-style casinos since they first obtained licenses two decades ago, helping to make the former Portuguese colony into the world's biggest gambling hub. A slump in visitors since the beginning of the pandemic has meant empty tables

and much lower returns over the past few years.

At the same time, Macau has overhauled its gambling rules to increase regulatory oversight over casino companies, in an ef-

The current license holders had been expected by analysts to get their renewals.

fort to ensure they have sufficient financial resources and more closely align their operations with China's national security interests. The city's gam-

bling business, especially its junket system—tasked with recruiting high-rollers and lending and collecting money—has been associated with corruption and capital outflows by officials in Beijing.

In the new round, the maximum number of casino licenses will stay at six, but their tenure will be cut by half to 10 years. The six incumbents have long signaled their intention to extend their presence.

Then Genting-linked GMM Ltd. threw its hat in the ring. Genting already operates dozens of casinos in the U.S., U.K. and Southeast Asia, but hasn't made a foray into Macau.

The seventh bidder "just adds one small wrinkle to the

equation," said James Goldstein, a U.S. retail and gaming analyst at CreditSights. "And it was unexpected. No one likes unexpected things in the market."

The news caught investors by surprise and, in particular, sent Wynn Macau's stock almost 7% lower on Thursday, before closing only slightly higher on Friday.

Genting Group, Sands China Ltd., Wynn Macau and MGM China didn't immediately respond to requests for comment.

Gloria Tsuen, a senior credit officer at Moody's Investors Service, said all of the incumbent operators are still in a good position, "considering how much they've already in-

vested in Macau and over such a long time."

Ben Lee, managing partner at IGamiX Management and Consulting Ltd., thinks the Genting-linked company stands a good chance of getting a license.

Thanks to its casino operations in Malaysia, Singapore and the Philippines as well as its cruise ships, the company has an "unrivaled VIP player database" outside of China, Mr. Lee said, which gives it an edge over the existing casinos.

The company's good relations with Chinese authorities may also help, Mr. Lee said, especially after the government made national security a greater concern in Macau.

Parler Refocuses to Power The 'Uncancellable Economy'

By SARAH E. NEEDLEMAN

Parler, a social network popular with conservatives, is restructuring to focus on providing services to online businesses at risk of being forced off the internet for controversial content.

The company, which itself was knocked offline after the U.S. Capitol riot last year, said it bought a cloud-services provider that will serve clients that want to be able to operate without being penalized because of political ideologies.

"We want to become a business powering what I call the uncancellable economy," Chief Executive Officer George Farmer said in an interview. "We are not going to cancel people for their opinions."

As part of the restructuring, Parler created a new parent company, Parlement Technologies Inc. The new company has completed a fundraising round for \$16 million, bringing the total amount raised to \$56 million. Mr. Farmer is the CEO of Parlement as well.

Nashville, Tenn.-based Parlement also said Friday that it has acquired Dynascale Inc., a provider of cloud services with around 50,000 square feet of data center space in the U.S. It has \$30 million in annual recurring revenue and several hundred enterprise customers, according to Parlement, which

declined to disclose the terms of the deal.

Launched in 2018, Parler bills itself as a free-speech alternative to larger social networks such as Facebook and Twitter. It says it doesn't use algorithms to provide content recommendations.

Parler exploded in popularity in the run-up to the 2020 U.S. presidential election. Following the U.S. Capitol riot, Parler was removed from Apple Inc.'s App Store and Alphabet Inc.'s Google Play. Amazon.com Inc. stopped providing web-hosting services to the company, effectively knocking the social network offline. At the time, the tech companies said Parler had violated terms of service agreements, citing some of the content posted on its platform.

Parler sued Amazon in Seattle federal court, alleging that Amazon Web Services kicked the company off its cloud servers for political and anticompetitive reasons. The company said Parler was suspended for not removing violent content that violated AWS's terms of service. The case is ongoing.

Parler resumed operations online by signing up with a different cloud provider. It was reinstated on the App Store in May 2021 after agreeing to add technology to detect violent content or incite-

ments to violence. It returned to Google Play earlier this month after agreeing to modify some of its content-moderation policies and enforcement.

In March, Parler launched DeepRedSky, an online marketplace for buying and selling nonfungible tokens, or NFTs, featuring images with conservative themes. Mr. Farmer said DeepRedSky will likely be integrated into Parler someday. He added that Parler also provides infrastructure support for two NFT marketplaces owned by former first lady Melania Trump.

With Parler's acquisition of Dynascale, it has about 100 employees, and Parler's online infrastructure is all controlled in-house, said Mr. Farmer.

"Everything is homegrown," he said. "We know how to operate our own tech stack, our own security."

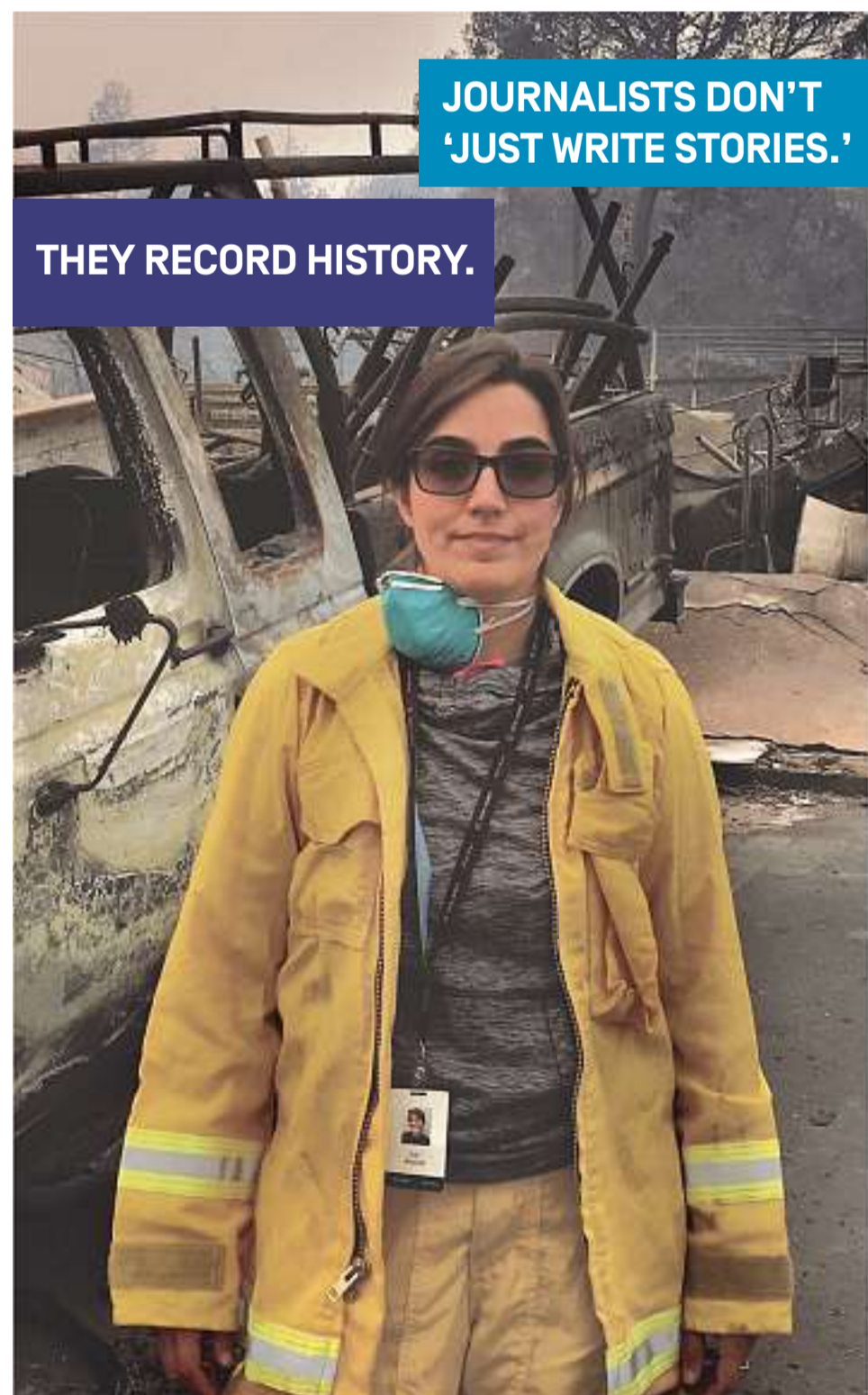
Parler has roughly 16 million registered users, Mr. Farmer said. It competes with other platforms, including former President Donald Trump's Truth Social, which launched in the U.S. in February. Parlement would consider offering its services to Truth Social if it wanted them, Mr. Farmer said.

"We're already talking to a large range of conservative businesses," he said.

Mr. Farmer, 32 years old, was named CEO of Parler in May 2021, succeeding interim chief Mark Meckler, who left the social network. Mr. Farmer joined Parler earlier that year as operating chief and has worked in financial services for about a decade. A prominent U.K. conservative, he is married to Candace Owens, an American conservative author and commentator.

Mr. Farmer said his main focus is boosting Dynascale's existing enterprise customer base and expanding its offerings.

"The endgame is to become more of an infrastructure and services business rather than the legacy social-media business," he said.



JOURNALISTS DON'T 'JUST WRITE STORIES.'

THEY RECORD HISTORY.



DOW JONES NEWS FUND

Learn more about the impact your journalism career can have on the world. Wall Street Journal reporter Erin Ailworth and others share career advice at dowjonesnewsfund.org/careers.



'We are not going to cancel people for their opinions,' Parler Chief Executive George Farmer says.

SHERLY TAUBER/REUTERS

EXCHANGE

KEYWORDS | CHRISTOPHER MIMS

More Bosses Are Spying. It Could Backfire.

Tools companies use to watch employees may not boost productivity



In the battle against “quiet quitting” and other obstacles to productivity in the workplace, companies are increasingly turning to an array of sophisticated tools to watch and analyze how employees do their jobs. The sobering news for America’s bosses: These technologies can fall short of their promises, and even be counterproductive.

Patchy evidence for the effectiveness of workplace monitoring tech hasn’t stopped it from sweeping through U.S. companies over the past two and a half years. Since the start of the pandemic, one in three medium-to-large U.S. companies has adopted some kind of worker surveillance system, and the total fraction using such systems is now two in three, says Brian Kropp, vice president of HR research at Gartner. Many of them include constant monitoring of nearly everything workers do on their devices.

This technological shift is particularly jarring for white-collar workers who have tended to have greater leeway in their work practices than blue-collar workers who have to punch time clocks.

In changing the very nature of work, how it’s perceived by those doing it, and what companies can expect of workers, this shift has the potential to represent a profound unbalancing of the power between employee and employer, say those who study it and even some within the industry who create it.

Surveillance capitalism

By law, what data employers can gather on employees is extraordinarily broad. There is software that can take a screenshot of a worker’s computer every 10 minutes, while also recording what apps and websites that worker visited, and how long she stayed. Critics of this kind of monitoring have nicknamed these systems “bossware” and deride them as a new form of morale-eroding micromanagement, like having your manager look over your shoulder at every moment of the day.

Gathering this much data about what a worker does all day generally requires what are called



“agent-based” systems, in which a piece of software is installed on a company-issued device. Such systems can have complete access to everything that happens on a computer, tablet or phone. Examples of this kind of software include ActivTrak and Teramind.

“Realistically, the vast majority of customers don’t find the need to enable full monitoring on all users all the time,” says Isaac Kohen, vice president of research and development at Teramind. The company’s software is designed to automatically record or flag user behavior if an employee does something untoward, such as emailing company secrets to a competitor, or spending all day on Facebook. But it’s entirely up to employers how to use the system, and what rules to establish. “The system can be abused if placed in the wrong hands,” he adds.

ActivTrak says on its website that it has “evolved from an employee monitoring tool to a privacy-conscious, powerful productivity platform.” This means its

Two in three medium-to-large U.S. companies use some kind of worker surveillance system.

software now includes privacy controls and anonymized, aggregated data, says a company spokeswoman. Unlike similar tools, ActivTrak does not support keystroke logging, camera access, video recording or email reading or counting, she adds.

At the other end of the spectrum are systems that are more familiar to office workers, such as Google Workspace and Microsoft 365. These gather data, but deliberately limit how much and what kind. Both allow a senior administrator in an organization with appropriate privileges to see which applications within these systems an employee uses, and how often, but may obscure the employee’s identity and offer data only over a

period of weeks, not days or hours. For some services, more detailed data, like how many messages or emails are sent and when, can be extracted. Notably, however, these systems aren’t capable of the all-encompassing tracking that agent-based ones do. They can’t track every keystroke, or take screenshots of a worker’s device, for example.

Microsoft has taken pains to make employee-level data and activity within its apps difficult even for IT administrators to access, says a company spokesman. Microsoft does not believe that activity is the same thing as productivity, and organizations should be careful about tracking the wrong kinds of things in order to assess employee performance, he adds.

Companies such as Prodoscore take the data common business applications gather and parse it in ways that the makers of those applications generally don’t. David Powell, president of Prodoscore, says the line that marks where “creepy” employee monitoring begins and ends is this: All of the

data Prodoscore uses is already gathered by the cloud-based software suites companies use, and is available through APIs, which are connection points for software.

Even with this limited data, Prodoscore can create for bosses an incredibly detailed breakdown of precisely what Prodoscore-connected services an employee is using, when, and whether from the office or outside it. The company’s software can even chart that worker’s productivity across time, digesting it all into a single score, which Mr. Powell compares to a credit report, but for work.

Debate about usefulness

For a relatively complicated and potentially intrusive technology to be so heartily embraced by so many company leaders, you’d think there would be overwhelming evidence that it delivers on its promises. But there is no independent, peer-reviewed research showing that it does, say Antonio Aloisi and Valerio De Stefano, professors who recently combed the literature on this subject for their book, “Your Boss Is an Algorithm,” about the growing phenomenon of management by software.

“There is definitely no study pointing out that this increases productivity in any meaningful way,” says Dr. Aloisi, who is based in Madrid.

Adrian Reece, principal data scientist at Prodoscore, says that the academic literature on productivity monitoring tools is divided into two camps. One finds that such tools increase accountability at work and can help people set and track their progress toward goals. The other camp argues these tools are ethically dubious, inequitable, and lead to a feeling of low personal agency, which can decrease productivity.

Systems that simply track whether workers are logged in and at their desks, and ding them for not being connected, can cause workers increased stress, according to a number of studies, says Dr. De Stefano.

However employees feel about increased monitoring of how they do their work, they may not have much choice about it, as more and more companies make working from home contingent on employee acceptance of monitoring. One Prodoscore client that recently shifted to remote work specified that employees who wanted to work from home had to use Prodoscore, says Mr. Powell. In the first month, he added, 80% of the company’s employees, or 3,200 of them, opted in.

FINI BLANCO



On Sept. 15, the left-leaning Patagonia founder Yvon Chouinard announced he is donating 98% of the company, a multi-billion-dollar outdoor-apparel business, to a nonprofit group to address climate change.

In August, it was reported that in 2020, right-leaning Chicago billionaire Barre Seid had donated 100% of the shares of his electrical device maker **Tripp Lite** to another nonprofit group to “maintain and expand human freedom.”

In making these political donations to nonprofit advocacy groups, these very different business owners are achieving similar results: Both avoided several hundred million dollars of taxes on sales of businesses, and the money not paid in taxes will go instead to their favorite causes, according to independent tax analyst Robert Willens.

The transactions are shining a light on tax breaks for political donations just as Americans are heading into high-stakes Congressional midterm elections. Although direct contributions to candidates, parties and political-action committees don’t qualify for tax deductions, there are other ways to get tax breaks for donations. Small as well as large donors can use them.

“Nonprofit groups across the political spectrum are using creative but legal tax maneuvers to maximize the dollars available for their work,” says Paul S. Ryan, a campaign-finance specialist now with the Funders’ Committee for Civic Participation.

Details of Mr. Chouinard’s donation aren’t yet available, but Mr. Willens estimates the transfer could save more than \$700 million in tax on a sale of the company. Patagonia had annual revenue of \$1 billion from 2017 to 2020.

Mr. Seid’s donation illustrates how the tax strategies work. In 2020, the billionaire donated his ownership in Tripp Lite to Marble Freedom Trust. Marble is a 501(c)(4) nonprofit entity formed in

TAX REPORT | LAURA SAUNDERS

Get a Tax Break Like a Billionaire

As the midterm elections approach, lessons for political donations



KIERSTEN ESSENPREIS

2020. This category of nonprofits, which includes social groups like Rotary Clubs but also many political nonprofits, are allowed to do far more political advocacy than 501(c)(3) charities such as the Girl Scouts, universities and churches.

Unlike a gift to a charity, Mr. Seid’s donation wasn’t eligible for a tax deduction—but he also didn’t owe capital-gains tax or gift tax on it.

Because it is a nonprofit, Marble was able to sell Tripp Lite to Eaton Corp. tax-free a few months later, and it received \$1.6 billion. If Mr. Seid had sold his interest directly to Eaton, he would have owed up to \$450 million in federal and state tax on the sale, leaving about \$1.2 billion for Marble, says Mr. Willens.

“As far as we know, this transaction fully complies with the law, but whether these rules are desirable is a different story,” says Ellen Aprill, a nonprofit specialist and emerita

professor at Loyola Law School in Los Angeles.

There are other ways to turn nondeductible political donations into ones that are.

One is that many advocacy groups, such as the National Rifle Association and the American Civil Liberties Union, are organized as 501(c)(4) nonprofits like Mr. Seid’s and Mr. Chouinard’s, so donations to them aren’t tax-deductible.

However, many advocacy nonprofits have affiliated groups organized as 501(c)(3) charities. These often have a similar name, such as the NRA Foundation or the ACLU Foundation. Because these charities are supposed to do less advocacy and more education, donations to them are tax-deductible.

The borders between the allied groups can be porous, and some charities transfer funding to their related advocacy groups, according to Sheila Krumholz, executive direc-

tor of Open Secrets, a nonpartisan group that tracks political spending. “It’s not an uncommon tactic,” she says.

For donors, the rules on federal contributions are confusing, as some are administered by the **Federal Election Commission** and others by the Internal Revenue Service. Here are relevant rules, donation limits and disclosure requirements.

■ **Direct donations to candidates, parties and certain political-action committees.** Gifts by individuals totaling more than \$200 a year must be disclosed to the Federal Election Commission, which posts the donor’s name, address and amount on its website.

Overall, individuals can give up to \$2,900 per election to a candidate, \$5,000 to a traditional PAC, \$10,000 a year to state-party committees and several hundred thousand dollars a year to national-party committees. These donations aren’t tax deductible, and the recipients can use them for a variety of purposes.

Candidates, parties and PACs in this category can’t typically take donations from nonprofits, corporations or unions—only from individuals and other PACs.

■ **Donations to super PACs.** These groups came into existence in 2010 after key court decisions allowed them. They can’t coordinate with campaigns or contribute directly to candidates and parties, but they can spend to support them, such as by running ads.

Super PACs can take unlimited donations from individuals, unions, nonprofits and corporations, and their spending is unlimited as well. Donors giving more than \$200 to

super PACs are public—but often they can obscure their identities by routing contributions through a limited-liability company or 501(c)(4) nonprofit, Mr. Ryan says. ■ **Donations to 501(c)(4) nonprofits.** These are the most controversial vehicles for political spending, as they often contain “dark money” from unknown donors. In the 2020 election cycle, political spending by these nonprofits topped \$800 million, more than triple the total for the 2016 cycle.

While these nonprofits are supposed to enhance public life, they aren’t charities, and the category includes many nonprofits focused on politics such as One Nation (conservative) and Majority Forward (liberal).

Entities organized as 501(c)(4) nonprofits can’t contribute to candidates for federal office, but they can participate in campaigns and elections up to a point. Critics say this point hasn’t been clearly defined or enforced by the Internal Revenue Service. The groups can also contribute to super PACs.

Individuals, corporations and unions can make unlimited donations to these groups. Donor names aren’t public, but contribution amounts must be disclosed to the IRS if the donation is \$5,000 or more. Contributions to 501(c)(4) groups aren’t tax-deductible, but under current law they aren’t subject to gift tax or capital-gains tax, as Mr. Seid’s and Mr. Chouinard’s donations show.

■ **Donations to a 501(c)(3) charity.** As noted earlier, many well-known advocacy nonprofits have affiliated charities.

These charities can’t directly support or oppose candidates, but they can fund policy discussion, ballot initiatives and some lobbying. They can also transfer funds to their related advocacy groups for various purposes.

Donations to charities are usually tax-deductible if the group sends proper notice to the donor. The groups don’t have to disclose donors to the public but in some cases must disclose them to the IRS.

EXCHANGE

SCIENCE OF SUCCESS | BEN COHEN

The Team That Fixed LaGuardia

Every business can learn tactics from the elite group keeping Terminal B at the New York airport running



One of the more polite things anyone could say about the old Terminal B at LaGuardia Airport in New York is that it was the worst part of

possibly the worst major airport in the world.

But have you been to LaGuardia lately?

It's no longer appalling. It's actually nice. In fact, when a panel of judges recently named the world's best new airport building, the prestigious honor went to Terminal B. It was a bit like Arby's winning a James Beard Award.

I wanted to know who was responsible and how they pulled it off. The most valuable people in this revitalization, as it turns out, were the ones with the roles least valued by the public.

They belonged to a tiny, elite squad of employees tasked with Terminal B's operational readiness and transition—ORAT, for short. Not every business has the specific needs of a construction project like LaGuardia, where the bleak old terminal was demolished and replaced with a gleaming new one, but the principles of the work are universal enough that every business could use an ORAT team.

They identified risks so they could mitigate them. They reduced uncertainty. They worried about the failure of little things, which ensured the success of bigger things.

The leader of this team was a Canadian engineer named Frank Scremin. He had never been to LaGuardia.

Mr. Scremin was managing a small airport in Ontario when he was hired as the ORAT director of Terminal B. He told people where he worked only to hear strangers rant about how much they hated it.

"Our goal is to turn that around," he said. "We want to change the narrative from 'I hate it' to 'I love it.'"

There was a lot to hate. The dilapidated home of five airlines—American, Southwest, United, Jet-Blue and Air Canada, which Mr. Scremin himself flew home—Terminal B was dark and ugly with low ceilings, narrow walkways and a leaky roof. Also, birds. Of the many unspeakable things said about LaGuardia, no insult landed harder than Joe Biden calling it "third-world" during a 2014 speech on infrastructure. It would take billions of dollars and what felt like decades to fix. The rescue effort required a public-private



Clockwise from top, The Terminal B departures hall; among the new artwork in Terminal B is this sculpture made of photographs; the ORAT team: Evan Colpitts, Kasia Sek, Stephanie Baccale and Frank Scremin

partnership between the Port Authority and LaGuardia Gateway Partners, a consortium that included Vantage Airport Group, the management firm that developed the terminal and employs Mr. Scremin.

He's the sort of geek who can't help but inspect obscure corners of airports for dust and eyeball the distance between stanchions in the boarding area when he's flying on vacation. The word he used to describe LaGuardia was not one that comes to mind for most people.

"It was interesting," Mr. Scremin said. "It was rundown. It was not clean. It was ... interesting."

His team kept that interesting terminal running while plotting a new one and working on a construction site squeezed between a highway and a bay.

Their office was a spare conference room. Their desks were folding tables. Their Wi-Fi network was the airport's Boingo hot spot.

Over the course of LaGuardia's transformation between 2016 and 2022, there were typically five employees focused on ORAT, and they rotated 12-hour shifts to ensure 24-hour coverage during crucial periods. They coordinated between the separate construction and operations teams to smooth the transition. They tested the airport in every way they could imagine to find deficiencies. When they heard cars honking, they walked outside to direct traffic. There was a problem, and they tried to solve it. That's the ORAT way.

ORAT was born with the seamless opening of Munich's airport in 1992, and the practice became widely adopted because of promi-

nent logistical disruptions during other airport openings that a dedicated ORAT team might have prevented. Aviation dorks shudder to this day when they remember the meltdowns in Hong Kong in 1998 and Heathrow in 2008. They believe ORAT work is an insurance policy against chaos.

But the people in charge of this renovation had greater ambitions than saving LaGuardia. They wanted to transform the airport experience. They were determined to make Terminal B more Zen.

The whole place is deeply intuitive, strangely calm and oddly pleasant. The departures hall doesn't feel like a dungeon. The security checkpoint has 16 lanes instead of 12. The area beyond the scanners is spacious enough for travelers to compose themselves and covered in carpet-like flooring

to mute noise. The flight displays instruct passengers with time to "RELAX." The natural light pours through windows in the morning, the skybridge over the taxiway is so bright you might need sunglasses and lamps near the gates dim at night to mimic the vibes of a hotel lounge.

Also, I know this sounds nuts, but you must visit the bathrooms. They're beautiful. My favorite detail in Terminal B is how the stalls are just wide enough to open the door and roll in a bag without bumping into anything. "We spent an inordinate amount of time on restroom design," said Mr. Scremin, who is now CEO of LaGuardia Gateway Partners, as most of the ORAT team members have transitioned to new jobs.

By the time a terminal finally opens, it must feel like it has been open forever, and the ORAT specialists at Terminal B agonized over the first day for years.

The work was dizzying in its complexity and demanded clever experiments from Mr. Scremin's team.

One was a live trial in which hundreds of friends and relatives came to a concourse of Terminal B before it opened in 2018. They were handed tickets for phantom flights and given instructions—grab a coffee before heading to Gate 29, say—as the ORAT experts observed their behavior and studied their feedback. When they realized that certain

signage was too subtle and the loudspeakers sounded different in a bustling environment, they added splashes of color and tweaked the volume so that real passengers wouldn't get lost.

"We were able to stress-test the building," said Kristi Ball, Terminal B's former ORAT director.

They put the baggage-handling system through a similar dress rehearsal. They collected 500 pieces of luggage in all shapes and sizes, filled them with free

weights and checked the bags more than 300,000 times in total. The ORAT team's Stephanie Baccale conducted a "crush test" and pushed the system to its limits.

Her colleague Evan Colpitts was busy working through the night, meanwhile, since that was the only time he could test how the jet bridges fit the planes. "It worked exactly as it did on paper 99% of the time," he said. ORAT's assignment was preparing for that 1%.

Since it's part of the human condition to complain about airports, some wistful New Yorkers are nostalgic for the leaks, birds and that Auntie Anne's.

That first morning Terminal B opened, as ORAT manager Kasia Sek eavesdropped, she heard the highest praise for her team's work at LaGuardia: "I think we came to the wrong airport."

THE INTELLIGENT INVESTOR | JASON ZWEIG

International Stocks Are a Disaster. That May Mean It's Time to Buy.



Markets almost always misprice the obvious.

That's worth bearing in mind as you think about the U.S. stock market's nerve-racking decline this week. It's worth remembering as you size up the behavior of stocks in the rest of the world, too.

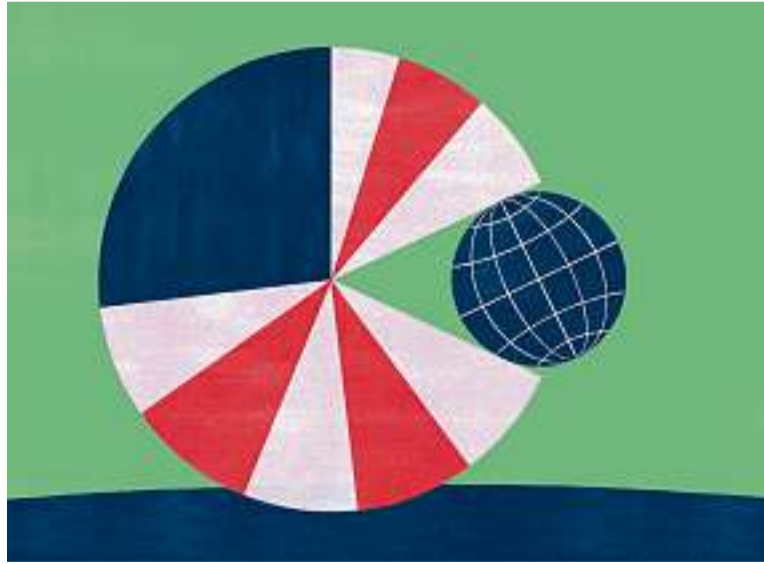
If the future unfolds according to the consensus, markets won't move much. Surprise is the source of extra returns, magnifying gains and losses alike.

Enterprising investors—those who are willing to put time and effort into diverging from the crowd—should always be thinking about where the potential for surprise is the greatest. For U.S. investors right now, that could mean venturing abroad.

On just about every dimension, international stocks look and feel miserable. The economic news is dismal, currencies are crippled and returns have been rotten for years. Things are likely to get even worse before they get better.

Europe is caught up in a war that could escalate without warning or limit—as well as a looming recession. Fierce energy inflation will also make European manufacturers less competitive.

Japan has been sluggish for years. In China, economic growth is shriveling. Other emerging markets are suffering from the soaring costs



of energy and food.

Meanwhile, the U.S. dollar is dominant. It's near its highest value relative to the Japanese yen in a quarter-century and recently rose past the euro for the first time in two decades.

For unhedged U.S. investors, the dollar's 13% gain so far this year has hammered international stocks. A rising dollar hurts returns on stocks denominated in other currencies; a falling dollar tends to raise returns.

The MSCI index of all non-U.S. markets is down 20% this year, nearly 3 percentage points behind the U.S. Over the past decade, inter-

national stocks lag behind the U.S. by a ghastly average of almost 9 percentage points annually.

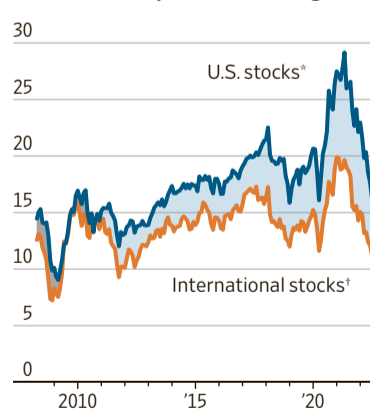
Emerging markets have done even worse. "When economies are slowing and earnings have been poor, that's driven down currencies in tandem," says Andrew Foster, chief investment officer at Seafarer Capital Partners, an asset manager in Larkspur, Calif., that specializes in emerging markets. "Investors who held the equities and currencies together have gotten whacked with two clubs at the same time."

At this point, it's obvious: International shares are priced for al-

Mind the Gap

Years ago, investors valued international and U.S. stocks at similar levels. Now non-U.S. stocks are cheaper by comparison.

Ratio of share prices to earnings



*iShares Core S&P Total U.S. Stock Market ETF
†iShares MSCI ACWI ex U.S. ETF
Source: FactSet

most nothing but negativity.

U.S. companies may be so much more innovative that they deserve to be more richly valued than stocks elsewhere in the world. But how much of a premium do they deserve?

By nearly every measure, stocks listed on overseas markets have become much less expensive than those in the U.S. In the late 2000s, international and U.S. stocks were valued at similar multiples of earnings, net worth, cash flow and revenues. Now other markets trade at roughly half the valuation ratios of the U.S.

International stocks are more likely to be in such economically sensitive, "cyclical" industries as banking and manufacturing, while the U.S. market is tilted toward technology and healthcare.

If you think one step ahead, toward the recession that feels so obvious, that's bad news for international stocks. A down cycle will hit them harder. If, however, you think toward an eventual economic recovery, the story changes.

"Once markets reach their nadir, cyclical tend to perform the best," says Sarah Ketterer, chief executive of Causeway Capital Management, a global investing firm based in Los Angeles. Consider the bounceback over the five years ending in late 2007. U.S. stocks gained an average of 15% annually; international stocks grew by more than 24% annually. The value of the dollar also fell over that period, raising returns for unhedged investors.

That interlude didn't last, and the past decade-plus has made a monkey out of anyone predicting a renaissance for investing outside the U.S., including me.

Turning your back on international stocks today, however, is a bet that their lousy performance is pretty much permanent. And not many things in markets last indefinitely.

Over the 10 years ended in December 1986, international stocks outperformed the U.S. by an average of 6 percentage points annually—even though foreign currencies weakened.

Now international currencies, and stocks, are simultaneously depressed relative to the U.S. If the dollar ultimately declines from its recent record highs, that drop would crank up the returns on overseas stocks. I can't tell you when that will happen, but I think it probably will.

With pessimism this pervasive, it wouldn't take many positive surprises to overturn the obvious—and make global diversification lucrative again.

EXCHANGE

The Battle Over Where Cars Sell

Continued from page B1

ble,” said Mr. Chen, Rivian’s vice president of public policy. Dealers and state lawmakers who oppose Mr. Chen’s efforts say that independent dealerships play a critical role in the car-buying process, helping to create competition between franchises that ultimately keeps prices affordable for consumers. They argue that dealers also provide important services, such as repair and warranty work, and arrange financing for buyers at competitive rates.

“When you have one person who controls all the marbles, you get marbles when they want to give it to you,” said Don Hall, president of the Virginia Automobile Dealers Association. Mike Stanton, the president of the National Automobile Dealers Association, added that “there are rules in place for a reason.”

The outcome of this battle could have broad implications for the car business, determining whether many manufacturers can set up retail operations in the U.S. without franchise networks. Some well-established auto makers, such as Ford Motor Co., are already pushing for a simpler sales process that mirrors Tesla’s experience while still using dealers. And other electric-vehicle startups, such as Lucid Group Inc. and Fisker Inc., have opted to sell directly to consumers where it is allowed rather than use independent dealerships.

The fight has added urgency for Rivian, an upstart maker of electric trucks and SUVs that is under pressure to show that it can increase production and get more of its vehicles to its customers. Founded in 2009 by a Massachusetts Institute of Technology graduate, the company made a big splash last year when it went public; some investors labeled it the Tesla of trucks. This year, however, it struggled with setbacks on the factory floor while burning through cash. In the first half of this year, it delivered about 5,700 vehicles to customers, well below its initial targets. It expects operating losses to be \$5.45 billion for all of 2022.

Rivian currently sells most of its vehicles online, which aren’t prohibited by state franchise laws, and from one company-owned store in California. It processes the online transactions in Illinois, the site of its first factory, and then ships vehicles directly to the buyer. Those transportation expenses, however, act as a drag on the company’s earnings. Executives at Rivian say they need more company-owned stores across the country to lower costs and boost deliveries at the same time.

Some Rivian customers say they are frustrated with the added hassles. Mark Carroll, a 52-year-old Rivian customer in Milton, Ga., said in May he and his wife drove an hour to a Rivian event to be able to see and touch their future vehicle for the first time. He said he waited more than a year for his R1T pickup truck to be delivered. “It’s ridiculous,” he said.

Success at Tesla

Rivian’s campaign to loosen the grip held by local car dealerships faces numerous hurdles. Auto dealers have been a fixture of American life since the early part of the 20th century, when auto makers first needed retail networks capable of selling large volumes of cars. Independent dealers did the hard and expensive work of finding customers, advertising in specific markets and servicing. By the late 1980s, there were more than 25,000 new-car dealers across the U.S.

As these dealerships proliferated, they acquired clout in their communities and state capitals by sponsoring everything from local



baseball games to fundraisers while also making donations to local politicians.

Dealerships also became successful at thwarting attempts to upend the status quo thanks to laws that restricted traditional car companies from setting up their own direct-sales operations that compete with their franchises. Ford, for example, tried to establish its own retail network in the late 1990s but ultimately abandoned the effort after running into resistance.

The rise of Tesla, which was founded in 2003, offered a new threat. It was able to open its first store in the Los Angeles area because it had never before used franchise dealerships, a state loophole that wasn’t available to more established companies such as Ford or General Motors Co. Tesla didn’t respond to a request for additional comment.

Before Tesla met with resistance in other states, it hired Mr. Chen to be its full-time lobbyist. He was an attorney who had worked for the Environmental Protection Agency and two outside law firms while helping numerous car companies comply with EPA requirements. He said he helped Tesla fix a tax-credit snafu with the EPA before he was hired.

His approach as a lobbyist, he said, was to be the wonky attorney who offered up lots of evidence while also arguing for free-market principles. The case he made to local lawmakers was that dealerships shouldn’t be able to dictate how consumers purchase vehicles, and that making things easier for EV makers wouldn’t hurt the dealers.

For him, the issue had a personal dimension. His father once served in the Taiwanese Navy and patrolled the waterways separat-

ing the island from China, a longtime foe of Taiwan. Mr. Chen grew up in Buffalo, N.Y., and his family’s experience with China came to influence his own view of the world. Cultivating American electric vehicle makers, he said, would be a way to ensure China didn’t gain any national security advantage in the development of critical new technology.

While lobbying for Tesla, Mr. Chen connected with local legislators in other personal ways. While briefing an influential Republican state legislator in Idaho, a state that did allow direct sales, the politician noticed and commented on Mr. Chen’s cowboy boots. A longtime outdoorsman who has two boats and works as a ski patroller in his spare time, Mr. Chen told the legislator he had seven different pairs of boots and no dress shoes, and they spent most of their time together talking about the footwear. A bill in that state to ban direct sales of vehicles eventually died.

“He doesn’t speak first, he listens,” said Joerg Sommer, a former Volkswagen AG executive who worked with Mr. Chen at another EV startup called Faraday Future Intelligent Electric Inc. “He comes across as, I don’t know, boring and conventional, but he has this witty humor, super intellect.”

One big victory for Mr. Chen at Tesla came in the state of Washington, where dealers began lobbying lawmakers to ban auto makers from owning their own retail stores. As legislation advanced, Mr. Chen cut a deal at the state capital that effectively exempted Tesla to the new prohibitions but closed the door for any manufacturer attempting to open company-owned stores after Jan. 1, 2014. Some states followed Washington, passing laws with similar language.

“It was a different time,” he said. “Nobody else was putting EV products out on the table...believe me, I did not go in there as part of Tesla and say OK, just grandfather us in, don’t worry about anyone else.”

He left Tesla, he said, because he felt burned out. He was on the road for 50 weeks in one year and his dog died, he said, because he was too busy to take it to the vet. After some time off, he got back into the industry with short-lived stints at two other EV startups, Faraday and Chanje Energy Inc. He joined Rivian in 2018.

‘We weren’t going to fall on our swords’

Mr. Chen’s lobbying strategy at Rivian is to focus on places—such as Michigan, New York and Georgia—where company officials be-

Rivian’s factory in Normal, Ill., above, produces R1T electric trucks, left. Rivian is under pressure to boost production and get more vehicles to its customers.

lieve they have the most potential to attract buyers of electric pickups and SUVs.

When he was with Tesla, some dealers and lawmakers proved willing to compromise on deals allowing a Tesla-only exception to state laws. But dealers have hardened their stance, he said, in part because Tesla’s success inspired more car companies to follow its lead.

That is what he encountered when he returned to Washington state to convince legislators to allow Rivian to sell directly to consumers there, just as they had with Tesla. He worked with Democrat Sen. Reuven Carlyle, who helped Mr. Chen at Tesla, on a new bill.

The proposal never made it beyond a labor and commerce committee. At one hearing Mr. Chen attended, some lawmakers on that committee expressed concern that even bigger car companies would want to bypass local dealerships if Rivian got a pass. “It worries me that this kind of exception will lead down a road where Ford...will be coming before us next year asking for the right to sell Fords directly to us and get rid of dealerships altogether,” said Sen. Steve Conway, a Democratic member of the committee.

Mr. Carlyle said it became clear to him that the proposal wouldn’t gain ultimate approval. “We weren’t going to fall on our



His cowboy boots can be a conversation starter.

swords.” Mr. Carlyle said. “This is an existential fight” for auto dealers, he added. “That’s their point of view.”

Even in an age when many products can be purchased on the internet without an intermediary, dealers still provide an essential service, said Mr. Stanton, head of the National Automobile Dealers Association. “It’s not like buying a tube of toothpaste on Amazon,” he said.

Mr. Chen encountered more resistance in Georgia, where he also won a Tesla-only exemption last decade. When Rivian agreed in 2021 to build a factory there employing 7,500 people, Mr. Chen said, it did so with the belief that the state would consider new legislation.

Mr. Chen flew down to Georgia

for lunch near a popular fishing destination with Senate President Pro Tem Butch Miller, a Honda dealer in the state. “We met for close to two hours, and I thought we were getting along very, very well,” Mr. Chen said. “We talked about boots; we talked about fishing; we talked about cars. I let him know that I wasn’t here as his enemy.”

But legislation never made it to a vote on the floor of the state legislature this year. Mr. Chen attributes that to Mr. Miller. “He, as the lead in the Senate, stopped our bill.” Mr. Miller denies that, saying he recused himself from the process and that local dealers pressured senators who sponsored the legislation.

“I haven’t lobbied on the bill and I have had no involvement with the bill,” Mr. Miller said. “Rivian,” he added, “knew what the score was in Georgia before they started looking into a plant here...why should 11 million Georgians change the way they’re doing business to accommodate one individual?”

Rivian also ran into opposition in Connecticut, where another piece of legislation authorizing EV startups to run company-owned stores fizzled out this year due to lack of support. “I don’t think we should be drafting legislation that works for one manufacturer, when every manufacturer has a stake,” said Julie Kushner, a state senator in Connecticut and former United Auto Workers official who opposed the legislation.

Mr. Chen’s sole legislative victory for Rivian came in Colorado, where his team successfully lobbied in 2020 to amend a law allowing Rivian and other EV manufacturers to sell without a franchise dealer.

Tesla continues to press its case for changes in places such as Louisiana, where in late August it filed suit saying state laws restrict its ability to sell cars directly to consumers. And Mr. Chen said he hopes for more support from other EV makers. “We don’t want to be Don Quixote tilting at windmills,” he said.

There are no other direct-sales bills currently on the floor for votes at local statehouses; Mr. Chen said Rivian is focused on legislative fights it believes it can win. He said he is giving up in the state of Washington, where Rivian will try to serve local customers from neighboring Oregon, which does allow direct EV sales.

Other adjustments are also possible. In states where it hasn’t succeeded in knocking down direct-sales bans, Rivian is considering opening storefront galleries. Customers would be able to see and touch the vehicles, but not purchase or test drive them. Tesla has such galleries, too. It’s an imperfect solution, Mr. Chen said, noting that even shoppers’ questions have to be handled by a Rivian salesperson off site on the phone.

“You’ve got to learn from your mistakes,” Mr. Chen said. “You’ve also got to be not afraid to look at different strategies.”

—Tim Higgins contributed to this article.

Watch a Video



Scan this code for a video about the accelerating changes in how Americans buy cars.

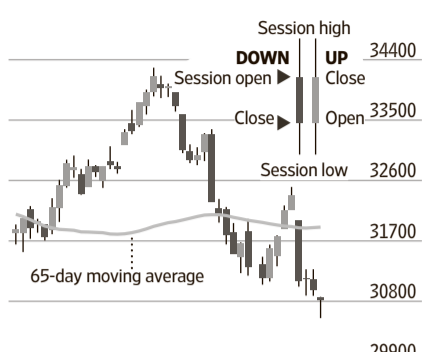


Rivian, like Tesla, is considering galleries in states where it can’t knock down direct-sales bans. There, customers could see the vehicles but not buy them.

MARKETS DIGEST

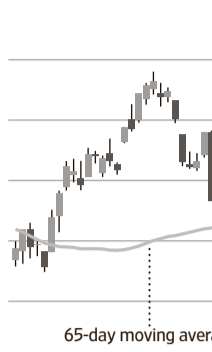
Dow Jones Industrial Average

30822.42
 ▼ 139.40
 or 0.45%
 All-time high: 36799.65, 01/04/22
 Current divisor: 0.1517252595384



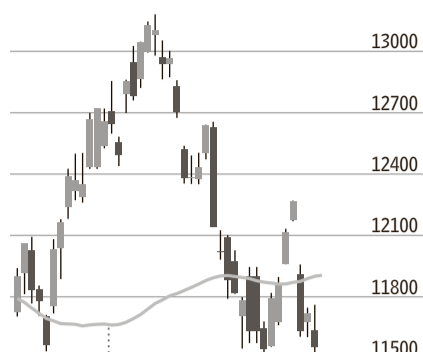
S&P 500 Index

3873.33
 ▼ 28.02
 or 0.72%
 All-time high: 4796.56, 01/03/22



Nasdaq Composite Index

11448.40
 ▼ 103.95
 or 0.90%
 All-time high: 16057.44, 11/19/21



Bars measure the point change from session's open

Weekly P/E data based on as-reported earnings from Biriny Associates Inc. † Based on Nasdaq-100 Index

Weekly P/E data based on as-reported earnings from Biriny Associates Inc. † Based on Nasdaq-100 Index

Major U.S. Stock-Market Indexes

| | High | Low | Latest Close | Net chg | % chg | High | Low | % chg | YTD | 3-yr. ann. |
|--------------------|----------|----------|-----------------|---------|--------------|----------|----------|--------------|-------|------------|
| Dow Jones | | | | | | | | | | |
| Industrial Average | 30866.61 | 30550.08 | 30822.42 | -139.40 | -0.45 | 36799.65 | 29888.78 | -10.9 | -15.2 | 4.4 |
| Transportation Avg | 13009.52 | 12656.67 | 12825.34 | -685.39 | -5.07 | 17039.38 | 12825.34 | -10.1 | -22.2 | 6.1 |
| Utility Average | 1020.19 | 1011.06 | 1012.86 | -3.12 | -0.31 | 1071.75 | 869.74 | 12.1 | 3.3 | 6.2 |
| Total Stock Market | 39076.83 | 38676.39 | 39038.34 | -348.18 | -0.88 | 48929.18 | 36759.60 | -15.1 | -19.7 | 8.3 |
| Barron's 400 | 904.82 | 884.47 | 893.95 | -10.87 | -1.20 | 1127.20 | 852.16 | -12.4 | -19.2 | 8.6 |

| | High | Low | Latest Close | Net chg | % chg | High | Low | % chg | YTD | 3-yr. ann. |
|----------------------------|----------|----------|-----------------|---------|--------------|----------|----------|--------------|-------|-------------|
| Nasdaq Stock Market | | | | | | | | | | |
| Nasdaq Composite | 11460.43 | 11316.92 | 11448.40 | -103.95 | -0.90 | 16057.44 | 10646.10 | -23.9 | -26.8 | 12.0 |
| Nasdaq-100 | 11875.09 | 11710.26 | 11861.38 | -66.11 | -0.55 | 16573.34 | 11127.57 | -22.6 | -27.3 | 14.7 |

| | High | Low | Latest Close | Net chg | % chg | High | Low | % chg | YTD | 3-yr. ann. |
|----------------|---------|---------|----------------|---------|--------------|---------|---------|--------------|-------|------------|
| S&P | | | | | | | | | | |
| 500 Index | 3880.95 | 3837.08 | 3873.33 | -28.02 | -0.72 | 4796.56 | 3666.77 | -12.6 | -18.7 | 8.9 |
| MidCap 400 | 2406.28 | 2358.49 | 2380.28 | -32.55 | -1.35 | 2910.70 | 2200.75 | -11.1 | -16.2 | 6.6 |
| SmallCap 600 | 1149.61 | 1128.66 | 1144.98 | -7.48 | -0.65 | 1466.02 | 1087.48 | -14.0 | -18.3 | 5.4 |

| | High | Low | Latest Close | Net chg | % chg | High | Low | % chg | YTD | 3-yr. ann. |
|---------------------------------|----------|----------|-----------------|---------|--------------|----------|----------|--------------|-------|-------------|
| Other Indexes | | | | | | | | | | |
| Russell 2000 | 1813.86 | 1778.77 | 1798.19 | -27.05 | -1.48 | 2442.74 | 1649.84 | -19.6 | -19.9 | 4.3 |
| NYSE Composite | 14722.03 | 14468.92 | 14573.91 | -148.12 | -1.01 | 17353.76 | 14097.05 | -11.5 | -15.1 | 3.6 |
| Value Line | 542.66 | 531.13 | 535.35 | -7.31 | -1.35 | 696.40 | 510.18 | -18.1 | -20.3 | 3.0 |
| NYSE Arca Biotech | 4799.58 | 4699.99 | 4750.79 | -48.78 | -1.02 | 5983.77 | 4208.43 | -20.2 | -13.9 | 1.9 |
| NYSE Arca Pharma | 770.39 | 761.59 | 767.46 | 1.11 | 0.14 | 887.27 | 732.23 | 3.0 | -7.2 | 10.0 |
| KBW Bank | 106.76 | 104.97 | 106.08 | -1.63 | -1.52 | 147.56 | 98.36 | -16.0 | -19.8 | 1.4 |
| PHLX [®] Gold/Silver | 101.24 | 96.75 | 99.76 | 0.58 | 0.59 | 167.76 | 94.71 | -19.4 | -24.7 | 3.3 |
| PHLX [®] Oil Service | 68.17 | 65.34 | 66.38 | -2.55 | -3.69 | 88.37 | 49.14 | 25.1 | 25.9 | -5.3 |
| PHLX [®] Semiconductor | 2565.42 | 2504.87 | 2563.14 | 13.60 | 0.53 | 4039.51 | 2458.46 | -25.1 | -35.0 | 17.1 |
| Cboe Volatility | 28.45 | 26.14 | 26.30 | 0.03 | 0.11 | 36.45 | 15.01 | 26.4 | 52.7 | 21.5 |

§ Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Trading Diary

Volume, Advancers, Decliners

| | NYSE | NYSE Amer. |
|---------------------------|---------------|------------|
| Total volume* | 3,384,036,581 | 76,579,131 |
| Adv. volume* | 680,333,547 | 49,294,884 |
| Decl. volume* | 2,670,310,517 | 27,231,991 |
| Issues traded | 3,360 | 286 |
| Advances | 861 | 97 |
| Declines | 2,347 | 185 |
| Unchanged | 152 | 4 |
| New highs | 13 | ... |
| New lows | 362 | 33 |
| Closing Arms [†] | 1.63 | 0.55 |
| Block trades [†] | 6,268 | 229 |

* 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 | % chg | YTD | |
|---------------------|-----------------------|--------------------|-----------|--------------|---------------|-------|
| World | | | | | | |
| | MSCI ACWI | 597.59 | -5.71 | -0.95 | -20.8 | |
| | MSCI ACWI ex-USA | 266.26 | -3.14 | -1.17 | -22.7 | |
| | MSCI World | 2569.29 | -22.71 | -0.88 | -20.5 | |
| | MSCI Emerging Markets | 944.12 | -14.46 | -1.51 | -23.4 | |
| Americas | | | | | | |
| | MSCI AC Americas | 1477.32 | -12.56 | -0.84 | -19.2 | |
| | S&P/TSX Comp | 19385.88 | -174.28 | -0.89 | -8.7 | |
| | MSCI EM Latin America | 2123.92 | -17.36 | -0.81 | -0.3 | |
| | Brazil | BOVESPA | 109280.37 | -673.28 | -0.61 | 4.3 |
| | Chile | S&P IPSA | 3391.52 | ... | Closed | 20.9 |
| | Mexico | S&P/BMV IPC | 46769.78 | ... | Closed | -12.2 |
| EMEA | | | | | | |
| | STOXX Europe 600 | 408.24 | -6.54 | -1.58 | -16.3 | |
| | Euro STOXX | 386.04 | -5.48 | -1.40 | -19.4 | |
| | Belgium | Bel-20 | 3592.32 | -12.12 | -0.34 | -16.7 |
| | Denmark | OMX Copenhagen 20 | 1587.95 | -41.81 | -2.57 | -14.8 |
| | France | CAC 40 | 6077.30 | -80.54 | -1.31 | -15.0 |
| | Germany | DAX | 12741.26 | -215.40 | -1.66 | -19.8 |
| | Israel | Tel Aviv | 1950.56 | ... | Closed | -1.4 |
| | Italy | FTSE MIB | 22110.89 | -254.93 | -1.14 | -19.1 |
| | Netherlands | AEX | 664.83 | -9.91 | -1.47 | -16.7 |
| | Russia | RTS Index | 1275.03 | -13.00 | -1.01 | -20.1 |
| | South Africa | FTSE/JSE All-Share | 66584.34 | -983.92 | -1.46 | -9.7 |
| | Spain | IBEX 35 | 7984.70 | -100.80 | -1.25 | -8.4 |
| | Sweden | OMX Stockholm | 741.56 | -10.87 | -1.44 | -28.5 |
| | Switzerland | Swiss Market | 10610.65 | -136.05 | -1.27 | -17.6 |
| | Turkey | BIST 100 | 3377.33 | 14.21 | 0.42 | 81.8 |
| | U.K. | FTSE 100 | 7236.68 | -45.39 | -0.62 | -2.0 |
| | U.K. | FTSE 250 | 18797.14 | -89.18 | -0.47 | -19.9 |
| Asia-Pacific | | | | | | |
| | MSCI AC Asia Pacific | 150.30 | -1.75 | -1.15 | -22.2 | |
| | Australia | S&P/ASX 200 | 6739.10 | -103.79 | -1.52 | -9.5 |
| | China | Shanghai Composite | 3126.40 | -73.52 | -2.30 | -14.1 |
| | Hong Kong | Hang Seng | 18761.69 | -168.69 | -0.89 | -19.8 |
| | India | S&P BSE Sensex | 58840.79 | -1093.22 | -1.82 | -4.0 |
| | Japan | NIKKEI 225 | 27567.65 | -308.26 | -1.11 | -1.3 |
| | Singapore | Straits Times | 3268.29 | 0.31 | 0.01 | 4.6 |
| | South Korea | KOSPI | 2382.78 | -19.05 | -0.79 | -20.0 |
| | Taiwan | TAIEX | 14561.76 | -108.28 | -0.74 | -20.1 |
| | Thailand | SET | 1630.40 | -11.93 | -0.73 | -1.6 |

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

| Company | Symbol | Close | Net chg | % chg | High | Low | % chg |
|-------------------------|--------|-------|---------|--------------|-------|-------|--------------|
| Applied Optoelectronics | AAOI | 3.76 | 1.26 | 50.40 | 8.86 | 1.48 | -49.6 |
| Armata Pharmaceuticals | ARMP | 4.21 | 1.00 | 31.15 | 6.49 | 2.82 | 9.4 |
| Anixa Biosciences | ANIX | 5.71 | 1.23 | 27.46 | 5.71 | 2.30 | 16.5 |
| Innate Pharma ADR | IPHA | 3.07 | 0.53 | 20.87 | 11.95 | 2.00 | -62.1 |
| DecisionPoint Systems | DPSI | 5.93 | 1.02 | 20.77 | 14.22 | 3.10 | 74.4 |
| Vivanti Medical | VANI | 3.24 | 0.54 | 20.00 | 10.82 | 2.49 | -68.5 |
| Nano Labs ADR | NA | 5.56 | 0.92 | 19.71 | 13.95 | 3.57 | ... |
| Alaunos Therapeutics | TCRT | 2.50 | 0.39 | 18.48 | 4.01 | 0.41 | 37.4 |
| Palatin Technologies | PTN | 7.96 | 1.23 | 18.28 | 24.00 | 4.00 | -33.7 |
| Enzo Biochem | ENZ | 2.67 | 0.41 | 18.14 | 4.15 | 1.98 | -26.2 |
| Inozyme Pharma | INZY | 3.92 | 0.58 | 17.37 | 14.87 | 2.87 | -66.9 |
| BayFirst Financial | BAFN | 21.65 | 3.16 | 17.09 | 32.50 | 15.45 | -22.4 |
| Forian | FORA | 4.10 | 0.58 | 16.48 | 11.53 | 2.56 | -64.3 |
| Emclair Financial | EMCF | 36.50 | 4.90 | 15.51 | 38.50 | 25.23 | 33.1 |
| Old Point Financial | OPOF | 28.32 | 3.73 | 15.17 | 29.06 | 20.50 | 36.7 |

Percentage Losers

| Company | Symbol | Close | Net chg | % chg | High | Low | % chg |
|-------------------------|--------|--------|---------|---------------|--------|--------|--------------|
| Aditxt | ADTX | 4.31 | -6.08 | -58.52 | 28.49 | 0.12 | 158.1 |
| FOXO Technologies | FOXO | 4.02 | -4.38 | -52.14 | 11.00 | 4.00 | -59.1 |
| Shuttle Pharma | SHPH | 8.99 | -7.64 | -45.94 | 126.26 | 7.77 | ... |
| Nexalin Technology | NXL | 2.25 | -1.90 | -45.78 | 4.15 | 1.95 | ... |
| Nabriver Therapeutics | NBRV | 3.82 | -2.86 | -42.79 | 35.00 | 3.75 | -86.7 |
| Scienjoy Holding CI A | SJ | 3.07 | -1.93 | -38.60 | 7.30 | 1.75 | -27.3 |
| Getty Images | GETY | 8.49 | -4.86 | -36.40 | 37.88 | 7.86 | -13.5 |
| Mill City Ventures III | MCVT | 1.84 | -0.91 | -33.09 | 11.36 | 1.84 | -78.2 |
| Mill City Ventures III | CMRA | 2.48 | -1.09 | -30.53 | 15.30 | 1.11 | -75.3 |
| Senti Biosciences | SNTI | 1.60 | -0.65 | -28.89 | 10.35 | 1.59 | -83.9 |
| Pagaya Technologies | PGY | 7.87 | -3.16 | -28.65 | 34.50 | 2.42 | -20.4 |
| NeuroBo Pharmaceuticals | NRBO | 17.92 | -6.90 | -27.80 | 128.68 | 7.40 | -85.9 |
| Netcapital | NCPL | 2.05 | -0.73 | -26.26 | 15.00 | 2.05 | -81.4 |
| Ventoux CCM Acquisition | VTAQ | 4.56 | -1.34 | -22.71 | 10.70 | 4.54 | -54.2 |
| FedEx | FDX | 161.02 | -43.85 | -21.40 | 266.79 | 155.00 | -36.9 |

Most Active Stocks

| Company | Symbol | Volume (000) | % chg from 65-day avg | Latest Session Close | % chg | 52-Week High | Low |
|-------------------------|--------|--------------|-----------------------|----------------------|--------------|--------------|-------|
| Annaly Capital Mgmt | NLY | 301,182 | 859.1 | 6.04 | -1.63 | 8.94 | 5.45 |
| ProShares UltraPro QQQ | UQQQ | 194,854 | 21.7 | 24.60 | -1.95 | 91.68 | 21.32 |
| ProSh UltraPro Shrt QQQ | SQQQ | | | | | | |

MARKET DATA

Futures Contracts

Metal & Petroleum Futures table with columns for Open, High, Low, Settle, Chg, and Open interest. Includes Copper-High, Gold, Palladium, Platinum, Silver, Crude Oil, and Natural Gas.

Rough Rice, Wheat, Wheat (KC), Cattle-Feeder, Cattle-Live, Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar-World, and Sugar-Domestic futures data.

30 Day Federal Funds, 10 Yr. Del. Int. Rate Swaps, Three-Month SOFR, Eurodollar, Japanese Yen, Canadian Dollar, British Pound, Swiss Franc, Australian Dollar, and Mexican Peso futures data.

Index Futures table including Mini DJ Industrial Average, Mini S&P 500, Mini S&P Midcap, and Mini Nasdaq 100.

Agriculture Futures table with columns for Corn, Oats, Soybeans, Soybean Meal, and Soybean Oil.

Interest Rate Futures table including Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, and 5 Yr. Treasury Notes.

Bonds | wsj.com/market-data/bonds/benchmarks

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Global Government Bonds table with columns for Country, Maturity, Yield, and Spread. Includes U.S., Australia, France, Germany, Italy, Japan, and U.K.

Exchange-Traded Portfolios | WSJ.com/ETFResearch

ETF table with columns for Symbol, Closing Price, Chg, and YTD. Lists various exchange-traded funds.

ETF table with columns for Symbol, Closing Price, Chg, and YTD. Lists various exchange-traded funds.

Borrowing Benchmarks | WSJ.com/bonds

Money Rates

September 16, 2022

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation

Inflation table with columns for Aug. index level, Chg From, and %.

Inflation table with columns for Week, High, and Low.

U.S. consumer price index

U.S. consumer price index table with columns for Item, Index, and %.

Secondary market

Secondary market table with columns for Item, Index, and %.

International rates

International rates table with columns for Item, Index, and %.

Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 28, 2022. Other prime rates aren't directly comparable; lending practices vary widely by location. Complete Money Rates table appears Monday through Friday.

Prime rates

Prime rates table with columns for Country, Rate, and %.

Policy Rates

Policy Rates table with columns for Zone, Rate, and %.

Dividend Changes

Dividend Changes table with columns for Company, Symbol, Yld, and %.

Dividend Changes table with columns for Company, Symbol, Yld, and %.

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.

Highs

Highs table with columns for Stock, Sym, Hi/Low, Chg, and %.

Lows

Lows table with columns for Stock, Sym, Hi/Low, Chg, and %.

Stock

Stock table with columns for Stock, Sym, Hi/Low, Chg, and %.

Stock

Stock table with columns for Stock, Sym, Hi/Low, Chg, and %.

Stock

Stock table with columns for Stock, Sym, Hi/Low, Chg, and %.

Stock

Stock table with columns for Stock, Sym, Hi/Low, Chg, and %.

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; S0: spin-off.

Large table of stock market data with columns for Stock, Sym, Hi/Low, Chg, and %.

BUSINESS & FINANCE

Gol to Pay \$41.5 Million To Settle Bribery Charges

By DYLAN TOKAR

One of Brazil's largest airlines admitted to violating anti-bribery laws and agreed to pay \$41.5 million in penalties over a decade-old scheme to influence lawmakers in Brazil. The settlements with Gol Linhas Aéreas Inteligentes SA were announced by the U.S. Securities and Exchange Commission and the Justice Department on Thursday. The São Paulo-based airline also was fined by Brazilian authorities for the same conduct, the

U.S. agencies said. Federal prosecutors imposed a \$15.3 million fine, while regulators at the SEC levied \$22.8 million in penalties. Gol has also agreed to pay another \$3.4 million in penalties in Brazil, according to U.S. authorities. The U.S. fines represent a substantial discount for Gol, which was originally slated to pay as much as \$157 million under its agreements with the SEC and Justice Department. The penalties were reduced because Gol demonstrated it

was financially strained and unable to pay the full amount, the agencies said. Gol also received credit for what prosecutors characterized as its extensive cooperation with the U.S. investigations, for redesigning its anticorruption systems and for hiring a new chief compliance officer to oversee its first dedicated compliance department. Between 2012 and 2013, Gol paid around \$3.8 million in bribes to officials in Brazil, part of a campaign to secure the passage of payroll and fuel

tax legislation that benefited Gol and other Brazilian airlines, prosecutors said. Gol was administratively charged by the SEC with violating the Foreign Corrupt Practices Act, and also entered into a three-year agreement with the Justice Department under which prosecutors agreed to dismiss a criminal conspiracy charge if the company paid a fine and undertook further compliance reforms. The airline acknowledged the settlements, saying it has fully cooperated with U.S. and



Gol received credit for cooperating with the U.S. investigations.

Brazilian authorities. A spokesman declined to comment further on the matter. The documents pointed to high-level involvement in the bribery scheme. To pay the bribes, a member of Gol's board had the company enter into sham contracts with enti-

ties tied to Brazilian officials, prosecutors said. The bribes were then disguised as advertising expenses and other services on Gol's books. The director involved in the bribery scheme resigned and no longer works for the company, prosecutors said.

Jordan '98 Jersey Fetches A Record \$10.1 Million

By ALLISON PRANG

A basketball jersey worn by Michael Jordan during the 1998 NBA finals, a season known as the "Last Dance," sold for a record \$10.1 million, Sotheby's said. The jersey, which Mr. Jordan wore during his sixth NBA championship for the Chicago Bulls, is the most expensive piece of game-worn sports memorabilia ever sold, Sotheby's said. Mr. Jordan wore the "Last Dance" red jersey during Game 1 of the finals. The sale exceeded the prior record earlier this year of a jersey worn by Argentine soccer star Diego Maradona when he scored his "Hand of God" goal in the 1986 World Cup.

That jersey sold in May for \$9.3 million at a Sotheby's auction. Before the sale of the Jordan jersey, the record for a basketball jersey auctioned off was the \$3.7 million sale of an autographed, game-worn Kobe Bryant jersey from the mid-90s, according to Sotheby's. The season's title of the "Last Dance" stems from an ESPN and Netflix Inc. documentary that came out during the Covid-19 pandemic that chronicled the season the storied Bulls team won their sixth championship in eight years. The sale of the jersey was part of the auction house's "Invictus" sales. Twenty people bid on the item, Sotheby's said, with the final sale price

beating its \$5 million high estimate. Part two of that auction, which is sports-themed, is currently up for bidding, the auction house said. Demand for sports memorabilia, particularly rare trading cards, soared in the Covid-19 pandemic. Some investor groups have also turned to investing in rare sports memorabilia as a way to invest in alternative asset classes. A 1952 mint condition Mickey Mantle card late last month sold for a record \$12.6 million. Established collectors intermixing with new collectors is fueling price growth, said Brahm Wachter, head of streetwear and modern col-



Michael Jordan's 1998 NBA Finals 'Last Dance' jersey, from game 1, is displayed at Sotheby's.

lectibles at Sotheby's. He said people who have been established in other collector areas, such as art, are also looking at assets like

sports memorabilia. In the art world, beauty, cultural importance and rarity are all factors that create value, he said. Many sports memorabilia

share similar elements, he added. "In the case of this almost Ferrari red, 1998 NBA finals shirt, it was a beautiful object," Mr. Wachter said

J&J Talc Appeal to Go Before Jurist Steeped in Bankruptcy

By JONATHAN RANGLES

Johnson & Johnson's use of bankruptcy to shift mass talc lawsuits against the company to chapter 11 will meet its most serious test yet be-

fore a federal appeals judge whose influential bankruptcy rulings shape one of the nation's top corporate restructuring hubs. Judge Thomas Ambro sits on the three-judge panel that

will hear arguments Monday in a Philadelphia courtroom over an emerging corporate restructuring strategy where companies facing mass personal-injury litigation use a Texas law to create a new sub-

sidiary with minimal business operations and make it responsible for tort liabilities before filing for bankruptcy. The chapter 11 filings by Johnson & Johnson subsidiary LTL Management LLC and others have carried more than a quarter-million personal-injury claims nationwide into bankruptcy court in recent years, stopping further trials on those claims in the civil justice system.

J&J's case has divided bankruptcy specialists and the appeal's outcome could determine whether the consumer-health giant's legal strategy could potentially be used more widely by other businesses facing expansive, and costly, personal-injury litigation. Judge Ambro, 72 years old, spent more than 20 years practicing bankruptcy law in Wilmington, Del., before assuming his judgeship on the Third U.S. Circuit Court of Appeals in 2000. His background as a bankruptcy practitioner is a rarity among judges in the federal appeals courts, making him an authoritative voice on thorny legal problems arising from complex chapter 11 cases.

They have returned substantial judgments for some claimants on similar evidence. J&J created LTL months after the U.S. Supreme Court declined to review a \$2.1 billion judgment for 20 women who alleged talc-based baby powder caused their ovarian cancer, which the company has denied. The Justice Department's bankruptcy watchdog has also asked for LTL's chapter 11 case to be dismissed and urged the Third Circuit to overturn Judge Kaplan's ruling. Injury claimants, who are supported by other law professors, have said LTL's filing was meant to gain a litigation edge for its solvent parent company, which isn't a valid use of bankruptcy. Talc claimants have argued that J&J and its consumer-health business want the benefits of chapter 11, including an indefinite pause on the litigation and the ability to settle future lawsuits, while avoiding restrictions and oversight they would face if they were in chapter 11. Questions about J&J's strategy will now be decided by Judge Ambro and two other Third Circuit judges. The appeal raises fundamental questions about corporate restructuring, legal specialists said, including whether businesses can extend the benefits of bankruptcy to corporate affiliates that aren't in chapter 11. Georgia-Pacific LLC as well as the U.S. units of Ireland's Trane Technologies PLC and France's Compagnie de Saint-Gobain SA have also used the strategy.

ADVERTISEMENT

The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

AUCTIONS

ONLINE AUCTION

THE HISTORIC HONNET HOUSE
WILMINGTON, NORTH CAROLINA

INTERLUXE

OPEN HOUSE PREVIEWS:
FRIDAY, OCT. 7TH - SUNDAY, OCT. 9TH

ONLINE AUCTION BEGINS OCT. 10TH

- Luxurious 4 BR, 3 BA, 4,353± sqft. Estate Built Circa 1881
- Overlooking the Cape Fear River • Adjacent Wooded Lot Included
- Grand Interiors, Private Backyard, Prime Location & Much More!

Previously Listed \$1,900,000 - Starting Bid Only \$750K!

(888) 415-LUXE

INTERLUXE.COM/HONNET

In cooperation with Lynne Boney (Lic# 209097), Intracoastal Realty. Not an offer to residents of those states where registration is required. Property being offered by the seller. Interluxe is not acting in the capacity of a broker or auctioneer and provides advertising and online bidding services only. Bidding takes place online only at www.interluxe.com. For full terms please visit www.interluxe.com/terms-of-use

BUSINESS OPPORTUNITIES

SECURED COLLATERALIZED OPPORTUNITY FOR ACCREDITED INVESTORS

9-10% ANNUAL RETURNS

9-YEAR AVG.: 9.47% MONTHLY DIVIDENDS FIRST LIEN MORTGAGES

InvestWithLYNK.com (410) 258-3903

*Past performance not an indicator of future results. Visit website for details & disclosures.

ALLIANCE MORTGAGE FUND

7%-8% RETURN

REAL ESTATE SECURED FIXED INCOME FUND SEEKING RIAs & ACCREDITED INVESTORS CALL: 866-700-0600

ALLIANCE MORTGAGE FUND
120 Vantis Dr., Ste. 515 • Aliso Viejo, CA 92656
www.AllianceMortgageFund.com

WANTED

We are looking for an existing publicly-traded company with world-wide manufacturing capabilities. We have invented a product that will be bigger than the Smartphone. In confidence, please contact us at bpiconsulting@outlook.com (215) 588-1669

COMMERCIAL REAL ESTATE

FLORIDA AIRPORT - Near Orlando & Beaches

Five(5) SFR Homes - All Leased - All 3/2/2- Includes LLC for each. Quick Sale Price \$1.5M

Orlando North Airport (FA83) Price \$9.4M

Paved Runway, 25 Hangars, 48 Tenants, Fuel Farm, 131 Acres, Relocate Your Business from West Coast to Free Florida East Coast

Watson Realty Corp Text or Call Bob Brewer (386) 341-0423

THE WALL STREET JOURNAL

THE MARKETPLACE

(800) 366-3975 | wsj.com/classifieds

© 2022 Dow Jones & Company, Inc. All Rights Reserved.

New Highs and Lows

| Continued From Page B2 | 52-Wk % | Stock | 52-Wk % | Stock | 52-Wk % | Stock | 52-Wk % | | | | |
|------------------------|---------|--------|---------|------------------|---------|-------|---------|----------------|-------|--------|-------|
| Stock | Sym | Hi/Lo | Chg | Sym | Hi/Lo | Chg | Sym | Hi/Lo | Chg | | |
| RamacoRcs | NIET | 8.72 | -2.9 | ScopusBio | SCPS | 0.28 | -8.8 | StateraBio | STAB | 0.15 | 2.8 |
| Rampak | PACK | 4.44 | -8.3 | ScottsMiracleGro | SMG | 52.20 | 1.8 | Steekcase | SCS | 9.12 | -3.4 |
| Rapid7 | RPD | 49.00 | -7.3 | Seagate | STX | 61.54 | 0.2 | Stepan | SCL | 94.77 | -0.8 |
| Rayonier | RGN | 32.39 | -0.9 | SealedAir | SEI | 47.89 | -4.2 | StitchFix | SFX | 4.61 | -3.0 |
| ReadyCapPfd | RCPC | 20.00 | 1.8 | SecureWorks | SCWX | 8.57 | -4.3 | StratusSys | SSYS | 15.15 | -1.4 |
| RechargeAcqWt | RCHW | 0.00 | 94.7 | Shemad | SMFR | 0.91 | 5.0 | StratusTop | STRS | 27.96 | -6.8 |
| ReconTech | RCO | 0.58 | 0.6 | Shaperways | SHPW | 0.75 | -10.2 | StrongholdDg | SDIG | 1.24 | -0.1 |
| RedViolet | RDVT | 16.26 | 2.6 | Shutterstock | SHUKS | 0.07 | 3.0 | StryveFoods | SNAX | 0.59 | -3.4 |
| RedwoodsAcqWt | RWDW | 0.05 | -0.2 | ShuttlePharm | SHPH | 7.77 | -6.9 | SturmRuger | SRGR | 51.11 | -0.9 |
| RegionsMgmt | RM | 30.24 | 1.8 | Sientra | SIEN | 0.56 | 2.0 | SunCountryAir | SNKY | 16.98 | -4.9 |
| RekorSystems | REKR | 1.00 | -11.5 | Sierra Bancorp | ESRR | 20.25 | 0.9 | SunshineBio | SBFM | 0.94 | -0.6 |
| Repay | RPAY | 8.45 | -5.1 | Sight Sciences | SGHT | 5.98 | -11.0 | SuperLeagueGam | SLGG | 0.75 | 6.0 |
| RepublicBkVIA | RCVIA | 39.71 | -2.2 | Similarweb | SMWB | 6.96 | -5.7 | SuperiorGroup | SGC | 9.59 | -5.9 |
| RePublicSol | RETO | 0.50 | -1.8 | SimplyGoodFoods | SMPL | 29.21 | -1.0 | SurfaceOncol | SURF | 1.22 | -6.9 |
| RetractableTechs | RTP | 1.53 | -0.8 | SimpsonMfg | SSD | 80.69 | -1.1 | SurfacePro | SPRO | 1.10 | -2.4 |
| ReunionNeuro | REUN | 2.46 | 5.4 | SitTime | SITM | 85.00 | -2.5 | Synaptics | SYNA | 104.66 | -0.1 |
| RevolutionWt | REWH | 0.09 | -0.9 | SiyataMobile | SYTA | 0.47 | -8.9 | SyneosHealth | SYNH | 50.75 | -1.9 |
| RexfordIndPrb | REXP | 23.80 | 0.4 | Skilift | SKIL | 2.11 | -4.5 | TCW Spac Wt | TSQWS | 0.08 | -20.9 |
| RigettiComp | RGTI | 2.09 | 0.4 | Skylight | SKLT | 1.11 | -7.3 | Terminix | TK | 28.02 | -1.2 |
| RiceBranPrb | RIBP | 2.05 | 6.4 | SkysWest | SKYW | 17.65 | -4.3 | TROOPS | TROO | 1.25 | -12.0 |
| RickardTech | RCTK | 2.09 | 0.4 | SmithAOS | AOS | 50.80 | -2.3 | TTEC | TTEC | 47.69 | -... |
| RhythmCapPfd | RTHM | 20.37 | -0.2 | SmithWesson | SWBI | 11.19 | -3.8 | Taboola | TBLA | 2.16 | -3.1 |
| RockleyPhonics | RPHY | 0.98 | 2.7 | SocketMobile | SKMT | 2.52 | -2.6 | TakungArt | TKAT | 1.26 | -7.4 |
| Root | ROOT | 9.60 | -7.3 | Soluna | SLUN | 1.94 | -4.3 | Talkspace | TALK | 1.00 | -5.6 |
| RubiconTech | RUBT | 2.79 | -9.1 | SomaLogic | SLGC | 3.42 | -6.4 | TandyLeather | TLE | 4.17 | 0.7 |
| Ruby Therap | RUBY | 0.56 | 17.5 | StJoe | STJO | 0.19 | -14.1 | TangoPharm | TARO | 3.18 | -4.5 |
| SCE IV Pfd | SCEPJ | 19.28 | 0.2 | SoteriaHealth | SH | 14.53 | -2.3 | TattooedChef | TCFC | 5.80 | -9.0 |
| SCE V Pfd | SCEPV | 20.31 | 2.3 | SpectrumBrands | SPB | 46.67 | -4.5 | TenayaTherap | TYNA | 6.67 | 0.1 |
| SaigonaTech | SANG | 6.94 | -9.5 | StanleyBldgClck | SWR | 83.89 | -0.2 | Teredata | TKD | 30.89 | -2.1 |
| SSSC Tech | SSSC | 52.20 | 1.0 | StanleyBldg Lin | SWT | 54.39 | -0.1 | Teladelta | TELF | 3.78 | 0.5 |
| SVB Fin | SVCB | 354.74 | 4.4 | StarBio | STBJ | 34.43 | -1.8 | Teladelta | TELF | 3.78 | 0.5 |
| SachemNts2027 | SCCG | 24.51 | -0.2 | StarGroup | STGX | 2.84 | -9.6 | Telex | TEXT | 8.82 | -8.1 |
| Salesforce | CRM | 149.56 | -2.1 | StarHub | STHU | 2.84 | -9.6 | Telex | TEXT | 8.82 | -8.1 |
| SaigonaTech | SANG | 6.94 | -9.5 | Starkey | STKY | 2.00 | -2.3 | TenaxPharm | TNXP | 0.79 | -8.6 |
| SapiensInt | SPNS | 19.85 | -... | Starkey | STKY | 2.00 | -2.3 | TenaxPharm | TNXP | 0.79 | -8.6 |
| SauCenters | SFC | 40.00 | 1.2 | Starkey | STKY | 2.00 | -2.3 | TenaxPharm | TNXP | 0.79 | -8.6 |
| SciOntech Wt | SCOW | 0.01 | -8.4 | Starkey | STKY | 2.00 | -2.3 | TenaxPharm | TNXP | 0.79 | -8.6 |

| Stock | Sym | Hi/Lo | Chg | Stock | Sym | Hi/Lo | Chg |
|-----------------|------|--------|-------|------------------|-------|--------|-------|
| ToyotaMotor | TM | 140.19 | 0.2 | VillageFarms | VFF | 2.40 | -2.8 |
| TransUnion | UTU | 65.99 | -2.7 | VillageSuper A | VLSGA | 20.98 | 3.0 |
| TreasureGlobal | TGL | 2.51 | -7.4 | Vimeo | VME | 4.81 | -3.9 |
| TrinityPlace | TPH | 0.80 | -24.5 | WingateEstates | WVE | 3.00 | -4.6 |
| Trinseo | TSE | 23.37 | -3.3 | WiraxBiobabs | WRAX | 2.61 | -10.8 |
| TriumphGroup | TGI | 9.81 | -1.7 | VistaGold | VGZ | 2.49 | -6.7 |
| TrialMedia | TRIA | 0.30 | -29.4 | VivoMed | VANI | 0.49 | 20.0 |
| TruCar | TRUC | 13.02 | -0.4 | VivoPowerInt | VVPR | 0.95 | -3.5 |
| TrueX | TRUE | 1.71 | -2.2 | Vontier | VNT | 19.09 | -2.7 |
| TurmericAcqWt | TRHW | 0.01 | 79.3 | WM Tech | WMPS | 2.11 | -7.7 |
| TuscaniWt | TKCW | 0.03 | -18.3 | WaltersBiosci | WBA | 33.86 | 0.1 |
| Tuya | TUYA | 1.00 | -7.3 | Waters | WAT | 280.75 | -4.0 |
| 22ndCentury | XXII | 1.19 | -2.4 | WearableDevices | WDS | 2.21 | -14.0 |
| YsonFoods | YSN | 71.41 | -0.4 | Welltower | WELL | 70.56 | 0.1 |
| US PhysTherapy | USPH | 7.15 | 1.7 | WestPharmSvcs | WVS | 26.31 | -2.1 |
| US Partners | UPA | 7.18 | -1.5 | WesternDigital | WDC | 36.32 | -1.5 |
| US Global | USGL | 4.05 | -1.3 | WesternUnion | WU | 13.66 | 1.4 |
| Unisys | UIS | 8.31 | -1.7 | WestRock | WRK | 34.02 | -11.5 |
| UnitedGuardian | UG | 11.91 | -0.2 | Westwood | WVG | 10.87 | 0.2 |
| UnitedInsurance | UIHC | 0.85 | 1.0 | WeWork | WE | 3.53 | -4.0 |
| UnitedSecBchrs | UBFO | 6.54 | -2.3 | WeWorkWt | WEWS | 0.47 | -8.9 |
| US GlobalBn | GROW | 3.06 | -4.7 | Weyerhaeuser | WY | 30.60 | -1.9 |
| Uniti | UNIT | 8.45 | -1.3 | WheelerREIT | WHLR | 1.50 | -1.8 |
| UnitiElectro | UEIC | 18.59 | 0.3 | WheelsUp | UP | 1.47 | -8.5 |
| UniversalHealth | UHT | 46.74 | -0.8 | Whirlpool | WHR | 143.87 | -0.6 |
| UnivTechnol | UTI | 6.17 | -0.5 | WideEarthBirds | WFB | 4.47 | 4.6 |
| UnivestFin | UNVF | 24.02 | -0.7 | WideOpenWest | WOW | 15.53 | -1.9 |
| US GlobalSoft | USGL | 9.20 | -2.9 | WidePoint | WDP | 1.20 | -1.9 |
| UplandSoftware | UPLD | 9.20 | -2.9 | Willby | WLB | 40.10 | -9.9 |
| VeranoHealth | VERA | 58.05 | -1.8 | Willdan | WLDN | 17.09 | 1.0 |
| UserTesting | USER | 3.69 | -6.3 | WinC | WINC | 0.71 | -4.3 |
| VFC | VFC | 39.44 | -1.8 | WindTreeTherap | WTT | 0.33 | -10.8 |
| VIQ Solutions | VQS | 0.65 | -11.3 | WindTreeShipping | WTS | 2.10 | -1.9 |
| VaccTech | VACC | 2.76 | -12.3 | Xpeng | XPEV | 14.50 | -6.1 |
| VentouxCCM | VTCM | 4.54 | -22.7 | Yeti | YETI | 33.87 | -2.6 |
| VeriBrady | VRA | 3.25 | -0.6 | YoshiHaruGbl | YOSH | 1.77 | -16.0 |
| VermisSystems | VBSI | 36.55 | -1.3 | ZimInt'lShipping | ZIM | 28.88 | -4.2 |
| Verizon | VZ | 40.66 | 0.5 | Zion | ZION | 1.82 | -4.5 |
| Versant | VRS | 0.21 | -10.3 | Zihui | ZHI | 11.11 | -5.9 |
| ViantTech | VSP | 4.00 | -2.7 | ZimVie | ZMV | 13.17 | -4.9 |
| Viatris | VTRS | 9.22 | -2.6 | ZoomVideo | ZM | 77.33 | -1.9 |

MARKETS

Prices Investors Get for Trades Vary Widely

Study finds TD Ameritrade had the best deals, Interactive Brokers the worst

BY ALEXANDER OSIPOVICH

Brokerages aren't created equal when it comes to getting investors a good deal on trades.

A recent academic study found wide disparities in the prices that investors get when buying and selling stocks through a half dozen popular brokerages. TD Ameritrade delivered the best prices, the study found, followed by Fidelity Investments, E*Trade and Robinhood Markets Inc.

In a surprise to some investors, at the bottom of the pack were a pair of trading platforms from Interactive Brokers Group Inc.—a brokerage catering to day traders that has long touted its execution quality.

"The difference in execution costs between these different brokers is huge, and nobody knows it," said Christopher Schwarz, a finance professor at the University of California, Irvine, and lead author of the

study, which came out last month.

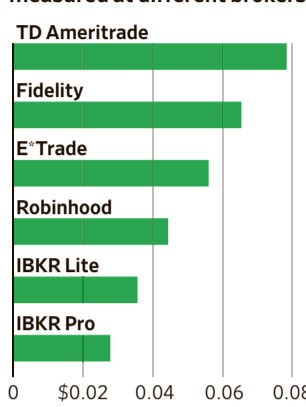
To do the study, the authors spent their own money to buy and sell stocks 85,000 times over a nearly six-month period, attempting to place the same trades simultaneously with different brokers and measuring the prices they got. Mr. Schwarz said he and his colleagues lost about \$23,000 doing the trades. They didn't receive funding from Wall Street for the study.

Their findings shed light on an opaque corner of stock trading. Although all the big online brokers present execution-quality statistics on their websites, the numbers aren't easily comparable, making it hard for investors to gauge where they actually get the best deal.

Brokerage executives generally welcomed the study, but some—particularly those that ranked lower—cast doubt on the findings.

"We have serious reservations about the meaningfulness of their conclusions, including as they relate to the comparative execution quality of Interactive Brokers," said Interactive Brokers Chief Executive Milan Galik.

Average price improvement measured at different brokers



Source: Christopher Schwarz, Brad Barber, Xing Huang, Philippe Jorion and Terrance Odean

The study's release comes as the Securities and Exchange Commission is preparing to re-release a package of regulatory proposals in the coming months aimed at overhauling how small investors' trades are handled.

Brokers have a regulatory duty to seek the best possible execution for customers. In practice, this means that when investors submit market orders—that is, orders to buy or sell stocks at the current market price—their brokers attempt to do slightly better than

the best price displayed on public stock exchanges.

For example, if an investor tries to buy a stock that is selling for \$20 a share at the New York Stock Exchange, he or she might end up paying \$19.9975, getting a discount of a fraction of a penny a share. If the investor is selling the stock, he or she might earn a fraction of a penny a share more than the best price shown at the NYSE.

That difference is called "price improvement." Execution quality is generally measured by how much price improvement brokers get for their customers.

The study found that they generally got a significant amount of price improvement on their orders—but it varied widely between brokers. At TD Ameritrade, they got an average of about 8 cents of price improvement for each trade. At Interactive Brokers' IBKR Pro platform, they got about 3 cents. Other brokers fell somewhere in between.

Such amounts might seem trivial, but they add up, especially for frequent traders. And if all retail brokerages delivered prices on par with TD Ameritrade, individual investors would collectively save

billions of dollars a year, the authors said.

Mr. Schwarz said one of the study's most surprising results was that payment for order flow—a controversial practice in which brokers get paid for routing customer orders—had little impact on execution quality.

Brokers route many orders to electronic market makers such as Citadel Securities or Virtu Financial Inc. for execution. These firms provide some degree of price improvement for the investor, while earning a profit for themselves by buying stocks for slightly less than they sell them. The market makers often pay brokers a rebate, known as payment for order flow, for the right to handle their customers' trades.

Critics of this practice, including SEC Chairman Gary Gensler, have suggested there is a tradeoff between payment for order flow and execution quality. The reasoning is that if market makers pay bigger rebates to brokers, they can't provide as much price improvement.

Contrary to such expectations, the study found the worst price improvement came from IBKR Pro, a platform that

doesn't accept payment for order flow. Fidelity, which doesn't take payment for order flow for stock trades, came in behind TD Ameritrade, which does accept payment for order flow.

Some brokers said the study shows the practice doesn't hurt investors.

"Payment for order flow isn't what some are making it out to be," said Jason Clague, a managing director at Charles Schwab Corp., which owns TD Ameritrade.

Other brokers complained that the study was skewed because the authors used relatively small orders. They relied mostly on trades of around \$100, with a median order size of five shares.

But some brokers said their customer orders are typically far larger and the results would have been different if the authors had focused on big trades. At Interactive Brokers the average trade size last month was \$18,785, Mr. Galik said.

"Every broker is going to concentrate on getting the best execution for their customer base," said Steve Quirk, chief brokerage officer at Robinhood. "And those customer bases are different."

Adani Overtakes Bezos As No. 2 Richest Person

BY ALLISON PRANG

Jeff Bezos is no longer the second-richest person in the world.

The Amazon.com Inc. founder was overtaken Friday by Indian industrialist Gautam Adani, whose net worth sits at \$147 billion, according to the Bloomberg Billionaires Index, a ranking of the world's richest people. Mr. Adani now only trails Elon Musk, who remains the world's richest person by a wide margin. He has a net worth of \$264 billion, according to Bloomberg.

The shake-up in the rankings of the world's richest people comes as stocks have slumped this year. Many of the wealthiest people have at least some of their net worth tied up in the financial markets, meaning volatility in stocks and other holdings can sway their measures of wealth. The S&P 500 is down 19% this year and the tech-heavy Nasdaq Composite has fared worse, falling 27%.

Mr. Adani, 60 years old, is the chairman of Adani Group, an India-based conglomerate involved in initiatives including

green energy, power and gas distribution. He net worth reached \$100 billion in April. Later that month, his personal wealth exceeded that of Warren Buffett. He is the first person from Asia who has ranked so high on Bloomberg's wealth index, long dominated by U.S. tech entrepreneurs.

Mr. Adani's net worth has climbed by \$70 billion this year, as shares of his conglomerate's publicly traded businesses have risen.

Mr. Adani's rise up the wealth ladder is a contrast from many of the world's richest people. Nine of the 10 wealthiest individuals have seen their net worth drop this year; Mr. Adani is the only one whose wealth has risen, according to Bloomberg's ranking.

Mr. Bezos owns almost 10% of Amazon's shares outstanding as of Aug. 24, according to FactSet. Amazon's stock has lost more than a quarter of its value so far this year, contributing to Mr. Bezos' \$45.5 billion decline in wealth. His net worth is about \$19 million less than Mr. Adani's, according to Bloomberg.



Consulting is EY's faster-growing business. The EY booth during the China International Fair for Trade in Services in Beijing Sept. 1.

Consulting Arm of EY Will Face Difficult Landscape After Split

BY MARK MAURER

Strong competition and a slowing economy could pose challenges for Ernst & Young as it looks to stand up a separate consulting brand as part of the planned split of its business.

EY's leaders recently approved separating the professional-services firm's consulting and auditing businesses. The move would result in the breaking off of the faster-growing consulting business, which advises on tax issues, deals and corporate strategy. The proposed breakup "provides tremendous opportunities for our people, our clients and our partners," Carmine Di Sibio, EY's global chairman, told The Wall Street Journal.

PricewaterhouseCoopers, KPMG and Deloitte—the other Big Four accounting firms—have said they don't intend to pursue a similar split.

EY plans to raise roughly \$11 billion through an initial public offering of a 15% stake in the consulting firm, as well as about \$13 billion in net debt to fund the transaction. The plan now leads to a vote with the firm's 13,000 partners, which is expected to begin later this year and wrap up by January or February. The company, which like the other Big Four is structured as an international network of private partnerships, would then prepare the consulting business for an IPO late next year.

The separation would free up EY's consultants to seek a bevy of new clients that they previously couldn't serve due to independence rules that limit what kind of tasks accounting firms can handle for audit clients.

Under the Sarbanes-Oxley Act of 2002, accounting firms that audit a company's books are prohibited from providing certain consulting services, for example implementing new

software for a client. "Systems design and implementation is one of the most lucrative consulting opportunities," said Elizabeth Cowle, an assistant accounting professor at Colorado State University.

The global technology consulting sector was worth \$350 billion last year, while the professional-services market was valued at \$1.1 trillion, advisory firm Source Global Research said.

The consulting business, once separate, will continue to invest in technology to expand its offerings to clients, EY said, declining to provide specifics. The consulting-only firm plans to focus on winning new clients in areas such as technology, financial services, private equity, government and life sciences, EY said. About 75% of its tax practice will become part of the consulting firm, while the remainder will remain part of the auditing business, which will also offer some tax and advisory services, EY said.

Setting up a separate consulting brand could cost EY hundreds of millions of dollars, according to estimates from researchers that cover the industry. Those funds would go toward marketing, new employees and office space, said Fiona Czerniawska, chief executive at Source Global Research.

The consulting firm, which doesn't have an official name yet, has to make sure its branding doesn't confuse prospective or existing clients, she said. "EY is going to have to carve out something that's distinctive and different in an environment which is already very crowded," Ms. Czerniawska said.

EY's current consulting business is an "established brand," with repeat clients making up over 95% of its revenue base, said Steve

Krousos, a global managing partner at the firm. "We'll be able to do things more cohesively and efficiently because we will operate under a more global structure for the new company," Mr. Krousos said.

EY's consulting revenue nearly tripled between 2010 and 2021, to \$15.93 billion from \$5.52 billion, growing at a faster pace than those of the other Big Four firms, according to Monadnock Research LLC, a research firm tracking the consulting industry. EY trailed Deloitte and PwC in both its total revenue, \$39.96 billion, and consulting revenue

\$15.9B

EY's consulting revenue in 2021

in the 2021 fiscal year. EY started from a smaller consulting revenue base than the other Big Four firms.

The stand-alone firm could square off more directly with existing consulting giants such as Accenture PLC and Bain & Co. than before. EY's planned split has drawn comparisons to when Andersen Consulting separated from defunct accounting firm Arthur Andersen in 2001 and subsequently rebranded as Accenture. Accenture, which spent about \$175 million on the rebranding, reported \$50.5 billion in revenue for the year ended August 2021, up from \$44.3 billion the prior year. Accenture didn't respond to a request for comment.

EY said it plans to spend more than Accenture on marketing the brand, but declined to provide an exact figure. The consulting industry is far larger than it was in the early 2000s when several big ac-

counting firms spun off their consulting arms, EY said.

EY and other accounting firms grew back their consulting businesses over time, collectively exceeding the revenue they generated with auditing. EY in 2000 sold Ernst & Young Consulting to Paris-based Capgemini SE for \$11 billion.

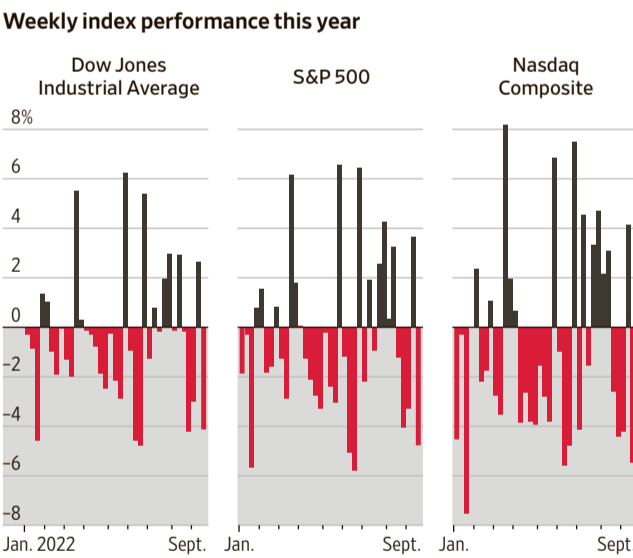
EY in 2014 acquired global strategy-consulting firm Parthenon Group, which boosted EY's capabilities in the strategy consulting space, said Mark O'Connor, chief executive at Monadnock Research. That type of consulting usually involves advising clients on how to structure their organizations or allocate resources.

One of EY's focus areas is early-stage companies that specialize in technology, Mr. O'Connor said. In addition to young tech firms, EY also audits Google parent Alphabet Inc., Amazon.com Inc., Apple Inc., Facebook parent Meta Platforms Inc. and Netflix Inc., none of which it can offer certain nonaudit services to.

EY had 101 U.S. IPO audit clients last year, up from 59 the previous year, according to research firm Audit Analytics. That is compared with 76 for Deloitte, 68 for PwC and 64 for KPMG. EY's had more U.S. IPO audit clients than the other Big Four firms each year since 2019, data show.

A potential recession also could make it harder for EY to gain new clients, said Gerard Tellis, a marketing professor at the University of Southern California, as companies often cut spending on consultants in periods of lower growth.

Companies could be inclined to stick with their existing consulting firm, rather than try out a new one, if they are uncertain about their outlook, Mr. Tellis said. "If what they have in mind is growth and expansion, it's going to be very tough in this market," Mr. Tellis said.



Source: FactSet

Rate Fears, Profit Woes Hit Stocks

Continued from page B1

remains stubbornly high.

Investors now anticipate that the Fed will have to keep raising rates aggressively, which could eventually tip the economy into recession. Futures bets show that traders see a

76% probability that the Fed will raise interest rates by another 0.75 percentage point at its meeting this coming week, according to CME Group. Investors are also pricing in another rate rise of the same amount in November.

The two-year Treasury yield is especially sensitive to investors' expectations for near-term Fed rate increases. It settled Friday at 3.859%, its second-highest level of the year. On

Thursday, it settled at its highest level since 2007.

The yield on the benchmark 10-year Treasury note also fell slightly, to 3.447%. Yields and prices move inversely.

Before Tuesday's inflation data, some money managers had hoped central banks would be in a position to start toning down their rate increases.

"It's clear that they're not going to pivot. That ship has sailed," said Hani Redha, a portfolio manager at PineBridge Investments.

Traders are also nervous the Fed may continue tightening even if the economy slows.

FedEx, a bellwether for the larger economy, said Thursday that its quarterly revenue fell below its expectations. It also said it was closing offices and parking aircraft to offset declining volumes of packages moving around the world. Shares dropped \$43.85, or 21%, to \$161.02 Friday.

That marked its largest percent decrease on record, according to Dow Jones Market Data.